

# *The* NATIONAL UNDERWRITER



## PREPAREDNESS PROBLEMS

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America performs miracles under pressure . . . when the demand is great, time is short, and a challenge must be met. Today, industry surges ahead. New plants are springing up, old ones are doubling, tripling capacity.

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### QUIZ



- 1 What policy combines Fidelity, Burglary and Forgery coverages for industrial concerns?
- 2 Under the Fidelity feature of this policy does the amount of coverage apply equally to all employees?
- 3 Are changes in personnel automatically covered by this policy?

*Published by the United States Fidelity & Guaranty Company and its affiliate, Fidelity & Guaranty Fire Corporation. Home Offices: Baltimore, Maryland.*

THURSDAY, MAY 8, 1941

# F A M O U S   A M E R I C A N   H O M E S



*Birthplace in Berks County, Pa.*

## Daniel Boone

THE GRANDFATHER of Daniel Boone was George Boone who came from Exeter, England and purchased large tracts of land in Maryland, Virginia and what is now Pennsylvania, subsequently founding a settlement which he named after himself—Georgetown, D.C. Daniel was born in Berks County, Pa., on November 2, 1734.

Married in August, 1756, he had heard glowing accounts of Kentucky from the lips of John Finley, who had penetrated that country to trade with the Indians; so on May 1st, 1769, with several adventurous neighbors, he plunged into the western wilderness and became the founder of the great state of Kentucky.

Daniel Boone is popularly known as a deer-slayer and Indian fighter, but he was of a gentle and kindly disposition. While the Indians considered him to be their most skilful foe, they looked upon him as a man of honor, and treated him with a certain rough consideration, in all their dealings.

On one expedition Daniel Boone remained

in the wilderness for about two years, during which time he saw no human beings save hunting companions and hostile Indians. Several times during his life he was captured by the Indians and on one occasion was adopted by the Shawnee chief, Black Fish, the ceremony consisting of painting his body and plucking out all of his hair with the exception of a scalp lock.

In the 1790's Boone, losing his Kentucky holdings through defective titles and taxes, moved to Missouri, then a Spanish possession, where he was appointed commander of the Femme Osage district and given a grant of 8,000 acres. When Napoleon acquired the territory and sold it to the United States, Boone again found his titles worthless; but, the Kentucky Legislature aiding, Congress was persuaded to permit him to retain 850 acres.

He was born in the Dutch Colonial stone and timber house a few miles from the City of Reading, Pa. Daniel Boone kept his coffin under his bed and was placed in it on his death September 26th, 1820. He died in the stone house (left) at St. Charles, Missouri.



*The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.*

## The HOME INSURANCE COMPANY

★ ★ ★ NEW YORK ★ ★ ★

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*This is one in a series of advertisements appearing in THE AMERICAN HOME*

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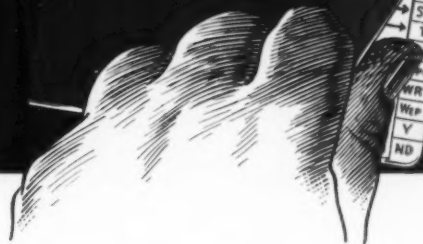
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MAY 20, 1941

OCEAN AND INLAND  
MARINE INSURANCE  
1941



MARINE OFFICE  
OF  
AMERICA



**N**EW and completely revised, "OCEAN AND INLAND MARINE INSURANCE—1941" is a boon to the busy Agent. Written by experienced specialists in this class of business, it describes concisely and authoritatively more than forty kinds of insurance. Especially useful for selling, it is designed this year to include the following:

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LOS ANGELES    PHILADELPHIA    PITTSBURGH    ST. LOUIS    STOCKTON    SYRACUSE



# A Map of Nationwide Service



**M**ARINE OFFICE OF AMERICA maintains a head office at New York, four branch offices and fourteen service offices conveniently located throughout the United States. Each Department

maintains complete underwriting, policy issue and claims settlement facilities. All offices have one or more travelling fieldmen. Several of the principal offices are connected by teletype to facilitate communication.

## Organization and Resources

MARINE OFFICE OF AMERICA was formed March 1, 1919 to be the Marine Department of The American Insurance Company, American Eagle Fire Insurance Company, The Continental Insurance Company, Fidelity-Phenix Fire Insurance Company, Firemen's Insurance Company, Glens Falls Insurance Company and The Hanover Fire Insurance Company. Owned and controlled by these

Companies, its operations are conducted through an Executive Committee composed of senior officers of each Company. Its entire operations—premiums, losses and expenses—are divided among the Companies in fixed percentages. Neither the Companies nor the percentages of their participation have been changed during the past twenty-two years.

Use of the facilities of MARINE OFFICE OF AMERICA offers the Agent **Complete Specialized Service**. Note special offer on reverse side of this page.

**MARINE OFFICE  
OF  
AMERICA**



# The NATIONAL UNDERWRITER

Forty-fifth Year—No. 19

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 8, 1941

\$4.00 Year, 20 Cents a Copy

## Aircraft Factories Strain Capacity of Insurance Market

### Southern California Values Soar, Fear Government Threat

LOS ANGELES—The absorbing topic in the insurance district here is the problem of covering the phenomenally expanded aircraft industry of southern California. All other matters are shoved aside in favor of what promises to be one of the greatest challenges to the capacity and underwriting courage of the business, with at least the possibility that the stake may be the future of the private insurance business in the government contract picture.

Even before the last orders for great increases in aircraft plants, the capacity of the market was severely strained by the plant expansion of the past year. Now, with \$60,000,000 schedules on single locations being shopped around, and still larger ones in the offing, it is a matter of getting coverage somehow, somewhere, with few questions asked.

### Government Insurance Specter

Few fire insurance men doubt that if the business confessed its inability to cover this vital and most publicized defense industry, the government would quickly find a means of doing so. It takes neither a fertile imagination nor alarmist leanings to visualize a government insurance fund, established to meet an obvious need, becoming permanent and perhaps crippling competition. Los Angeles insurance men frankly admit this fear. Consequently, distinctions have been forgotten and stock companies, board and non-board, mutuals and reciprocals have been welcomed on these lines and urged to take more.

Surplus line brokers have been used to get additional coverage in non-admitted carriers. It is feared, however, that they have not secured as much as expected, because most of these carriers are already loaded with reinsurance.

### Plants of Good Quality

Generally speaking, all the carriers have recognized the potential threat to private business and have cooperated with their competitors to the limit of their capacity, frequently stretching the limit.

The bright spot in the picture is that the plants themselves are excellent risks. No one seems to find any fault with their construction and maintenance, both of which conform to rigid government standards. On the other hand, the concentration of values is almost fabulous and the intensity of operations necessarily increases the fire hazard. In the opinion of many observers, the heavy policing of these plants cannot offset this latter factor.

It is ironic enough to regard this  
(CONTINUED ON PAGE 16)

## Midyette Favors Grading of Agents

### N.A.I.A. Head Favors 3 Classes with Different Commission Rates

Ranking of agents throughout the country into three classifications depending on the degree of service performed and receiving a different rate of commission was advocated by Payne H. Midyette of the National Association of Insurance Agents, in addressing the convention of the North Carolina Association of Insurance Agents at Pinehurst.

The class A agent under Mr. Midyette's scheme would receive the top commission. He should be required to furnish every service through his office at his own expense, producing the business, underwriting it, furnishing all supplies, advertising, printed matter, engineering, safety work and loss adjustment. This would be a complete operating agency.

The class B agency in Mr. Midyette's scheme would operate on a lower commission scale. He would operate along the same line as class A but his companies would furnish engineering service, special agency service and loss adjustment.

### Status of Class C Agent

The class C agent in effect would be a producer operating out of a service branch office or the office of a supervising general agent in the capacity of a salesman. He would be responsible for collection and remittance of premiums and the company or general agent would furnish all other services. He would operate on a minimum commission basis.

According to Mr. Midyette, the commission should be adequate to produce a sufficient income to all classes of agents.

### Proposes Discussion Forums

Mr. Midyette also advocated that arrangements be made for bringing together at some central point representative agents of the large, medium and small classifications for discussion of the problems that exist in the bringing out of new contracts and forms. These producers who would have a knowledge of public opinion and the demands of the public would be available to company executives so that the business could keep abreast of the times and assume leadership in providing that which the public demands rather than being forced into making certain changes.

### Countersignature Agreement

Mr. Midyette reviewed some of the currently important topics including the countersignature agreement with the Association of Casualty & Surety Executives. He expressed the opinion that one of the important features of the agreement is that its enforcement and policing becomes the responsibility of the signatory companies and not of the agency forces.

Mr. Midyette said that he believes the committee that was appointed on graduated commissions and expenses is the

## Lasher to Head Pacific Board

### Home's Coast Manager Nominated for President, Edmundson Vice-president

SAN FRANCISCO.—Clinton D. Lasher, Pacific Coast manager of the Home of New York group, has been nominated for president of the Pacific Board and H. Clyde Edmundson, vice-president America Fore, for vice-president.

While comparative newcomers to the Pacific Coast territory, both nominees have filled an increasingly important place in affairs in this territory and have been active in executive committee and sub-committee work of the Pacific Board for several years.

### Colvin in Line, but Retired

Ordinarily Charles A. Colvin, former manager of the Boston and Old Colony, would have received the nomination for president, having been elected vice-president last year. However, due to the recent retirement of Mr. Colvin, it was necessary for the committee to look elsewhere for presidential material which it found in Mr. Lasher.

Nominees for two-year terms on the executive committee are: Clarence E. Allan, Northern Assurance; J. L. Boyle, general agent, Los Angeles; J. L. Biglen, New York Underwriters; L. G. Feyen, National of Hartford; Charles C. Hannah, Fireman's Fund; P. D. Richards, general agent, San Francisco, and B. O. Selbach, Selbach & Deans, San Francisco.

Alternates for the executive committee are: L. R. Eby, general agent, San Francisco; H. J. McCauley, North America, and A. H. Talmage, American of Newark.

### Election to Be Held Friday

It is expected the election will be held in Del Monte Friday. In the ordinary course of events, the meeting would be held at Del Monte, Thursday and Friday. However, because of lack of facilities there, the meeting will be formally called to order in San Francisco Thursday, to comply with constitutional requirements. Undoubtedly adjournment will then be taken to the following day at Del Monte, when it is expected the election and other matters will be disposed of.

most important committee ever appointed by the association. It is faced by a tremendous task and the answer is likely not to be found for some time. After the committee completes its recommendations, then the executive committee will take final action.

"It is up to the producers and the companies to recognize that we are living in a new era and under new conditions and to attempt to provide proper and adequate coverages in sound companies and at the lowest possible cost, yet one which will produce a reasonable and fair return to the producers and the companies. There must be a more equal distribution of cost in the business as it applies to large and small premiums," he said.

## Buyers Weigh Insurance Problems of Defense Program

### A.M.A. Group Is Impressed with Need of Prevention, Safety Work

NEW YORK—Reginald Fleming, insurance manager of Commonwealth & Southern Corporation, was chosen as vice-president in charge of the A.M.A. insurance division.

NEW YORK—Problems created or aggravated by the urgency of the defense program took the spotlight at the American Management Association's insurance conference here. Even at sessions not concerned with this topic the discussion repeatedly veered around to situations brought on by the defense program. The difficulty, in many cases, of obtaining replacement materials is apparently bringing home to production managers the importance of prevention and safety work which has not always been an easy program for insurance managers of plants to get across.

It was evident that many insurance managers are disturbed at the increase in the number of small fires causing little or no damage. They are aware that practically all big fires start from little ones and an increase in the number of small fires means that much greater chance of a serious conflagration.

### Discussed at Dinner

The dinner meeting devoted to the general topic of insurance management soon got around to defense production fire and accident problems and stayed there the rest of the evening. A. M. Schmidt, insurance manager Johns-Manville Corporation, presided and had as technical advisers to answer questions H. E. Adams, assistant manager Factory Insurance Association, Hartford; E. W. Harrington, vice-president Manufacturers Mutual Fire of Providence; and F. A. Roloson, treasurer the Henry M. Warfield-Roloson Co., Baltimore.

Mr. Harrington said that it is true, as some of those present had mentioned, there is an increase in the number of fires but that values, too, were up and the ratio so far this year is no worse than for 1940. W. F. Lund, insurance manager United States Rubber, said that his company is so concerned about fire prevention that early this year it instituted a system of awards to recognize departments which had the best fire records. Someone pointed out that when a plant goes on a three-shift basis there is bound to be an increase in the hazard, although not proportionate to the extra hours being worked.

Mr. Roloson said that individual managers can make a great difference in a plant's fire record. He recalled a lesson of his novice days when he was inspect-

(CONTINUED ON PAGE 16)

## LEGISLATION

**New Hampshire**—The house, without a dissenting voice, passed the New England agency mutuals' bill to allow mutual fire and casualty companies to write non-assessable policies.

**Nebraska**—The following amendments to the small loan law have been adopted: Lender may require insurance on tangible personal property covered by loan, but borrower has right to select company in which insurance is taken out; no insurance in force is to be cancelled; premium charged borrower shall not be higher than the going rate and as proof that this is not being violated copy of insurance policy must be furnished the borrower; specifically excludes any other type of insurance not involved in loan coverage, aimed to end practice of requiring borrower also to take out health and or accident policy.

**Ohio**—The house has passed a bill for the computation of the fire marshal's tax on premiums after deducting the reinsurance premiums received. It is now in the hands of the senate insurance committee.

The house insurance committee has recommended for passage a bill, which provides that no fire company authorized to do business in Ohio may reinsure in a company which is not authorized to do business in Ohio. The bill carries out an order of the superintendent of insurance, which was based on a ruling by the attorney general. Through the efforts of stock and mutual fire insurance companies, an amendment was attached which provides that nothing in the bill shall apply to the protection of a duly authorized company against loss by catastrophe or conflagration in Ohio through purchase of contracts of excess insurance which shall not reinsure specific risks. The cost must not exceed 5 percent of the total premiums and as a result of such purchase no deduction from its unearned premium reserve may be made.

### F.&G. Fire Claims Its Tacoma Bridge Policy Not in Force

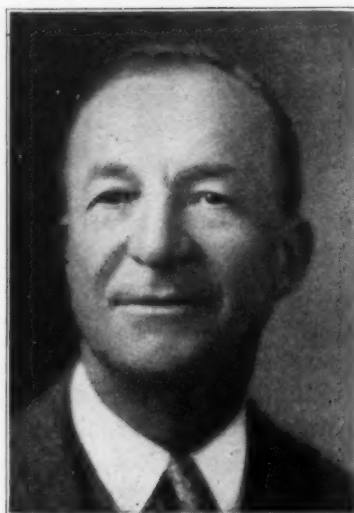
Fidelity & Guaranty Fire has filed a demurrer in the case of the Washington Toll Bridge authority against the companies arising from the collapse of the Tacoma Narrows bridge. Fidelity & Guaranty contends that so far as it is concerned there is no cause of action. The facts will be disclosed when a hearing is held on the demurrer. The report is that Fidelity & Guaranty Fire contends that the covering note that was issued by its general agent at the request of the brokers who handled the bridge line, was to replace the policy of \$50,000 in Millers National which that company had directed its Seattle agent to cancel.

### New War Risk Rate Increases

**NEW YORK**—Because of the Axis threat against Gibraltar, American underwriters have raised the rates to Spain and Portugal on neutral flag vessels from 3 percent to 5 percent, the same rate as for belligerent flag ships. Spanish and Portuguese vessels are virtually the only ones affected. The rate for American ships remains at 1½ percent. Rates on exports to the far east, exclusive of Australasia, French Indo-China, Burma, Siam and ports west of India were raised from .5 percent to .75 percent on American flag vessels via Panama and transpacific and from 1½ to 2 percent via Panama and 1½ to 2 percent Transpacific for all other flags listed in the schedule. Rates for exports to Burma on non-U. S. flag vessels were raised from 3 to 3¼ percent via Panama and 2½ to 3 percent Transpacific.

**Ellen M. Fairchild**, 92, mother of C. W. Fairchild, general manager of the Association of Casualty & Surety Executives, died at her home near Topeka, Wednesday morning.

## Named for Pacific Board Posts



C. D. LASHER



H. C. EDMUNDSON

Two comparative newcomers on the Pacific Coast, both formerly of Chicago, have been selected for the highest offices in the Pacific Board. C. D. Lasher, coast manager of Home, has been nominated for president and H. C. Edmundson, vice-president America Fore, for vice-president. Both are widely known throughout the country, and especially in the middle west, as well as on the Pacific Coast.

## Merchant New Tex. Life Commissioner

**AUSTIN, TEX.**—Governor O'Daniel Monday appointed O. P. Lockhart life insurance commissioner and ex-officio chairman of the state insurance board to succeed the late Walter C. Woodward, following rejection by the senate of Reuben Williams. Mr. Lockhart is long time owner of a large Austin bakery, delicatessen shop and cafe. He is a member of the state Democratic executive committee.

If Mr. Lockhart's nomination is confirmed by the senate, he will serve the unexpired term of the late Walter

Woodward. Following Mr. Woodward's death several months ago, Reuben Williams was appointed to the post, but he was twice rejected by the senate.

Mr. Lockhart, an original O'Daniel supporter, became a member from the Austin district of the state Democratic executive committee shortly after O'Daniel was elected governor. On the occasion of Mr. O'Daniel's second inauguration as governor, Mr. Lockhart headed the Austin committee that arranged the barbecue at the governor's mansion. Mr. Lockhart on May 3 conducted a group of university students to the mansion where they presented a 1,000-name petition that Governor O'Daniel run for the United States Senate to fill out the unexpired term of the late Morris Sheppard.

## Illinois Regionals' Programs Prepared

**Caravans to Visit La Salle, Quincy and East St. Louis, May 13-15**

Programs for the regional meetings of the Illinois Association of Insurance Agents to be held at LaSalle May 13, Quincy, May 14, and East St. Louis, May 15, were announced this week. Eugene F. Engelhard of the Engelhard & Co. agency, Chicago, executive vice-president Illinois association, has personal charge of arrangements. Large attendance is expected at each of the meetings.



E. F. ENGELHARD

W. H. Jennings, Jr., Rockford, board chairman Illinois association, will give the response to greetings at LaSalle and Quincy, and Lyle H. Gift, Peoria, president, will respond at East St. Louis.

### Speakers on Three Programs

Speakers who will appear on all three programs are: Ralph W. Bugli, advertising manager London Assurance, New York, "Public Relations with a Purpose;" O. M. Spaid, manager production department American of Newark, Rockford, "A Diamond of Democracy;" R. G. Osgood, resident manager Chicago service office North America, "Errors of Omission;" R. D. Hodson, agency supervisor, Aetna Casualty, Chicago, "Prescribing Protection for Profits," and J. M. Joyce, Joliet, president of Joyce Seven-Up. Mr. Spaid's talk touches on the 75th anniversary of the National Board. There will be a prologue, "Say It in English," at each of the meetings. At LaSalle, Glenn E. Mendenhall, Peoria, vice-president of region 5, will preside. Mayor Orr will extend welcome and after Mr. Bugli's talk there will be discussion. James J. Beattie, Rockford, vice-president region 3, will preside at a luncheon meeting at which Mr. Spaid will talk. In the afternoon, Merle A. Read, Joliet, vice-president region 2, will preside. Discussion periods will follow the talks by Messrs. Osgood and Hodson.

There will be a "True and False" contest on liability insurance with W. J. Bremer, assistant superintendent of the liability department, Hartford Accident, Chicago, as referee. The audience will be given copies of the questions immediately and after the period they will be given copies of the answers. The Dupage County Association of Insurance Agents and Rockford Association of Insurance Agents members will contest in this event.

Mr. Beattie will preside at the dinner meeting, the toastmaster being J. M.



J. M. JOYCE

French, French agency, Ottawa. Mr. Joyce will give "An Insurance Buyer's Views," telling what the buyers expect from their insurance agents, what they do not get that they are entitled to, the reason they buy from those they buy from, what they expect from their insurance company, and discussing also whether insurance companies keep pace with the buyers' requisites.

Kley Miller, president Quincy Board (CONTINUED ON PAGE 33)

## THIS WEEK IN INSURANCE

Insurance section of American Management Association at meeting in New York is preoccupied with insurance problems of national defense program. **Page 3**

C. D. Lasher, Home, is nominated for president of Pacific Board and H. C. Edmundson, America Fore, for vice-president. **Page 3**

Tremendous growth of airplane plants in southern California presents serious insurance problems. **Page 3**

P. H. Midyette, president National Association of Insurance Agents, in North Carolina talk, advocates grading of agents into three classifications with different rates of commission. **Page 3**

Annual meeting of Nebraska Association of Insurance Agents is held in Omaha. **Page 5**

Earl Gibbs is appointed manager and B. L. Hewett, Jr., assistant manager of the western department of Boston and Old Colony. **Page 5**

Several resolutions pertaining to insurance questions are adopted by U. S. Chamber of Commerce. **Page 5**

North Carolina Association of Insurance Agents opposes writing of industrial fire insurance, elects R. L. Price president. **Page 5**

O. P. Lockhart, a merchant of Austin, is appointed life insurance commissioner and chairman of the state insurance board of Texas. **Page 4**

Hall men report doubled hull premiums on cotton and wheat in the south and southwest. **Page 6**

H. E. Adams of Factory Association tells members of insurance section of American Management Association of importance of causing fire protection to keep pace with construction rather than being treated as an after thought. **Page 33**

Programs for regional meetings of Illinois Association of Insurance Agents May 13-15 are announced. **Page 4**

H. P. Stellwagen gives message of the highest significance in addressing convention of North Carolina Association of Insurance Agents. **Page 21**

Workmen's compensation act in Indiana has been thrown into the utmost confusion by reason of recent legislation. **Page 20**

Program is announced for annual meeting of Health & Accident Underwriters Conference. **Page 23**

Governor Lehman signs the important Page-Anderson financial responsibility law in New York. **Page 23**

Rise in boiler and machinery U. & O. rates significant as first reflection of replacement difficulties raised by defense. **Page 24**

New York department releases its study of automobile P. L. and P. D. results on an earned and incurred basis for 1940, showing among other things a sharp increase in P. D. loss ratio. **Page 22**

A number of questions of current importance are scheduled for discussion at meeting of the Casualty Actuarial Society in Hartford, May 16. **Page 24**

How to get new forms of casualty covers that are desired by buyers was important topic of discussion at meeting of insurance section of American Management Association. **Page 21**

War department adopts cost plus insurance plan for compensation, public liability, auto liability and property damage. **Page 21**

Arrangements have been completed for the annual meeting of the Arkansas Association of Insurance Agents at Hot Springs. **Page 38**

South Carolina Association of Insurance Agents announces its annual meeting program. **Page 38**



## North Carolinans Oppose Industrial Fire Insurance

**Favor Financial Responsibility Law—R. L. Price Chosen as New President**

**NEW OFFICERS ELECTED**  
President—R. L. Price, Charlotte.  
Vice-president—Frank S. Wilkinson, Rocky Mount.  
Secretary—Milton Best, Fremont.  
Treasurer—A. B. Morgan, Raleigh.  
Directors—Lenox Cooper, Wilmington; T. H. Woodward, Wilson; Ernest F. Young, Charlotte, and A. C. Goodman, Asheville.

PINEHURST, N. C.—The North Carolina Association of Insurance Agents at its convention here went on record against the writing of fire insurance on the industrial plan, voted in favor of a financial responsibility law, reaffirmed the policy of non-interference in local board rules, resolved to respect and protect the business of any member called to the colors, and disposed of various other business details brought up in executive session.

The 1942 meeting will again be in Pinehurst, May 3-5. The association voted to resume the short course schools next spring. Payne H. Midyette, president National Association of Insurance Agents, was a guest and speaker, and also attended the past presidents dinner, at which Samuel Fisher of Asheville presided, and which was attended by eight former presidents of the association.

Manager S. G. Otstot reported 626 members, a gain of 22.

### Presidential Message

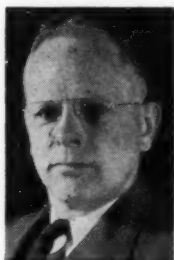
Earl Johnson of Raleigh, in his presidential address, urged agents in this day of change not to be hypercritical of those companies that are willing to break away from long established practices. The companies are groping for the answer to many problems these days and that answer will not be found by those who are pursuing an ultra conservative course, he asserted.

(CONTINUED ON PAGE 14)

## Gibbs New Western Head of Boston

**New Assistant Manager at Lansing Department Is B. L. Hewett, Jr.**

Earl Gibbs has now been appointed manager of the western department of Boston and Old Colony at Lansing,



B. L. Hewett, Jr.



Earl Gibbs

Mich., taking the place left vacant by the death of B. L. Hewett. At the same time Mr. Hewett's son, B. L. Hewett, Jr., is appointed assistant manager.

Mr. Gibbs is well prepared for his new responsibilities, as he has been assistant manager of the office for the past several years and prior to that was head of the automobile department.

Inasmuch as the Boston's western department is located away from other insurance company offices, the management is thrown upon its own resources. There is not the opportunity to compare notes with other companies and hence, Mr. Gibbs has been trained against the background of making independent decisions.

Mr. Gibbs was born in Texas. He started as special agent for the T. E. Braniff Company, general agents, Oklahoma City, in 1920. Prior to that time he was assistant cashier of the former National Bank of Claremore, Okla.

In 1922 he became connected with Old Colony as state agent in Ohio and in 1924 was transferred to Michigan and assumed the duties of state agent for both Boston and Old Colony. In 1926 he was transferred back to Ohio as state agent for Boston and Old Colony (state supervision in Ohio of both companies was at that time consolidated), where he remained until 1929, when he was transferred to Lansing as superintendent of the automobile department. In 1932 he was made assistant manager of the western department and in 1936 he

## U. S Chamber Sides with State System; Hits Redundant Tax

A number of resolutions of interest to insurance were adopted at the annual meeting of the United States Chamber of Commerce in Washington. One memorial pertained to supervision and regulation of insurance. It stated that the safety record of insurance is a result of sound and wise principles and methods under regulations laid down by the states.

The performance of effective state regulation has been outstanding, according to the resolution. The present system offers a vehicle for steady improvement which makes unnecessary any form of federal regulation.

The characteristics of insurance render this essentially a problem for state rather than federal control.

### Fair Rate and Solvency

State insurance officials at public expense should continue to cooperate with like officials of other states to the end that the public is assured a fair rate and solvency of insurers. Established rating systems applied to rating bureaus or other expert bodies are essential. Solvency tests should be supported by periodic examinations made by full-time salaried employees of the state. Investments should be determined by the quality of the security regardless of the situs. Taxes should be fair and levied directly without regard to local investment requirements. Insurance buyers should be able to obtain from authorized companies in any state the coverage which their individual necessities require. The principle of coinsurance, or

(CONTINUED ON PAGE 14)

was made assistant secretary of the companies.

The new assistant manager has had excellent training. He was with the Michigan Inspection Bureau from 1922 to 1929 and then was connected with the Michigan insurance department as chief rater for two years. For the past 11 years he has been Michigan special agent for Boston and Old Colony, and he has been one of the most popular men in the Michigan field.

Mr. Hewett, is well-known throughout the middle west among the golfing fraternity, having participated in many leading tournaments and having held several titles. His golfing feats are considered unique because he is a left-handed player, a distinction shared by few top-flight figures.

## Neb. Agents Hear No Honeyed Words on Year's Record

**Rebuked by President for Apathy at Annual Meeting at Omaha**

### NEW OFFICERS ELECTED

President—Earle Ritner, North Platte.  
First Vice-president—N. G. Volz, Lincoln.  
Second Vice-president—Irving Zerk, Omaha.  
Secretary—Thomas A. Bryan, Omaha (reelected).  
Chairman executive committee—Joseph Barker, Jr., Omaha.  
National councillor—Arthur Dunbar, Omaha (reelected).

OMAHA—The annual meeting of the Nebraska Association of Insurance Agents was marked by a straight-from-the-shoulder address by President Joseph Barker, Jr., of Omaha, who deplored the apparent inactivity of the association the past year. Many projects were sponsored but few reached successful conclusion. The greatest disappointment was in legislative activities and of these failure of passage of the agents qualification and licensing measure was of the most importance.

The association went on record as being in favor of an intensive educational program about a year ago. The program was carried out at the mid-year meeting last December, and at that time plans were made for a short course at the University of Nebraska but so little interest was shown that it has been dropped.

It was agreed in 1938 that the premium from the treasurer's bond for the state was to go to the Nebraska Association. It was thought to be in the bag at the beginning of this year, but it turned out that two Nebraska agencies got the premium and the association got nothing, even though several companies refused to write the business unless the association shared in the premium.

The resolutions committee consisted

(CONTINUED ON PAGE 15)

## SPEAKERS AT NORTH CAROLINA AGENTS CONVENTION



H. P. STELLWAGEN  
Executive Vice-Pres. Indemnity of N. A.



P. J. BERRY  
President Security, New Haven



JOHN H. EGLOF  
Supervisor Field Service, Travelers



DAN C. BONEY  
North Carolina Commissioner



## Hail Premiums Run Twice Last Year's

**South, Southwest Cotton and Wheat Excellent; Doubt on Other Areas**

First phase of the nation's hail business, winter wheat in the southwest, is producing double the premiums of last year, and cotton is following along at about the same rate. While other areas and other crops may not develop this kind of a gain, hail underwriters at present can see a possible 50 percent over-all increase in hail premiums for the U. S. and Canada this season.

In the southwest crop and soil conditions are the best they have been in years. Prices promise to be fairly stable, with the prospect good for 75 cents a bushel to the farmer, a price on which he "can go to town." There have already been some losses, fairly heavy in Arizona, scattered in Texas.

### Losses May Be Higher

Old time hail men say they can "smell" heavy hail losses for the present season. One fairly accurate index is a season that is a week to three weeks earlier than normal. Warm weather means rain, and rain means hail. Plenty of moisture also makes conditions good for insect pests, rust, etc., which to some extent complicates determination of values and settlement of losses.

Part of the increase in cotton premiums is due to increased business on the same acreage. Cotton prices are a little better, and a good many growers are boosting the amount of protection per acre. Where they may have carried \$8 insurance an acre last year, they may purchase \$12 this year.

### "Bewildered" Nebraska Situation

In Nebraska, and this may be true to a certain extent in the northwest where the season is not so far along, the hail situation is described as "bewildered." A good part of the hail business is done on credit; that is, farmers give agents notes covering the premiums, the notes are discounted at the bank, and the farmers pay off when the crop is marketed. Hail men say they are running into a tremendous reluctance on the part of banks to handle hail paper. Bankers, ordinarily anxious for this business since it provides them with quite a bit of needed income, say that bank examiners are getting tougher about hail premium notes.

### Government Crop Policy

But apparently the chief trouble is the government's crop policy. It has been the practice of farmers with a bad hail loss immediately to plow under the wheat and sow barley or oats. Heretofore this was satisfactory with government, where the farmer carried government crop insurance, and the adjustment was made on the basis of the estimated loss to wheat. Now, however, government is requiring the farmer to leave the wheat crop standing, sow the oats and barley in with the wheat, and at threshing time determine the extent of hail loss to the wheat crop by the percentage of wheat to the total grain yield. This means that the farmer hasn't a cash crop, because the barley or oats are mixed with the wheat, and it is good only for feeding. The requirement is regarded as an attempt by government to hold down yield of marketable grains.

In the southwest this practice of sowing a quick crop after wheat is damaged by hail is not a general one, and the same situation doesn't appear to hold.

Canada still is something of a question mark. It has the biggest wheat carryover in history, and a lot of wheat is under tarpaulins on the farm, under temporary sheds there and at elevator

## Security Sends Out Birthday Cake

Security of New Haven is sending a large birthday cake of molded ice cream to each of its agencies in the United States and Canada Thursday of this week. The occasion is the celebration of the company's 100th anniversary and more than 4,000 agents will be treated. The distribution of the ice cream is made possible by a nationwide hookup with manufacturers and no such broad scale delivery on a single date has ever before been attempted.

The sending of the cake is intended to symbolize the close personal relationship existing between Security and its agency force as the result of its century of existence. This is a part of the company's extensive campaign for



the anniversary year, 1941, to emphasize its desire to help its agents increase their incomes. Other moves in this direction have been the sending out of a sales manual and a series of mailings, the adoption of a new trademark and an extensive advertising campaign in leading insurance publications.

## Eagle Star Writes \$50,000 Rain Policy on Race Track

Eagle Star has written a rain policy in the amount of \$50,000, covering the famous "Preakness Day," May 10, at Pimlico race track, Baltimore. This is one of the outstanding turf events of the year, and \$50,000 is believed to be the largest amount for which a rain policy has been issued, excepting the company's similar policy on last year's event.

Insurance is against 1/20th of an inch of rain between 9 a. m. and 1 p. m. and covers gross income.

### Immobile Tanks Not Marine Risks

Oil tanks and other tanks of a similar nature, not mobile in character, may not be insured under a marine form, the joint committee on interpretation and complaint has ruled.

D. C. McIlrath, Great Bend, Kan., local agent, has been elected mayor of that city.

points. Storage facilities at Fort Williams and Port Arthur are being tripled.

However, Canada has, going into the new season, production and marketing quotas. Lack of definite quotas last year until August were responsible, insurance men feel, for a lot of the 45 percent fall-off in hail premiums. Acreage planted to wheat is being reduced about 40 percent, it is estimated, by this year's production quota. The farmer gets \$4 an acre for summer fallow and \$2 an acre if he plants only rough feeds. The latter provision is expected to increase the feeding of livestock for English consumption. The marketing quota is 12 bushels an acre.

Here as in the U. S. agents take notes for premiums, guarantee them to the insurance company and settle up at the end of the season. Price and marketing at the hail writing season will govern, and these it is too early to determine.

Soil conditions are excellent in the northwest and midwest for corn and spring wheat, for which the hail writing season is about three weeks off.

Prospects for tobacco insurance in the south are fair. The export market is nothing to brag about, but the present view is not pessimistic in comparison with last year.

## Insurance Doing Its Defense Share

**Hannah Details Protective Work Before U. S. Chamber**

WASHINGTON, D. C.—With other business, fire and casualty insurance is playing an important part in national defense, Charles C. Hannah, first vice-president Fireman's Fund, said before the insurance division of the U. S. Chamber of Commerce.

While its role is neither glamorous nor spectacular, it is safeguarding what might be termed "the lines of transportation."

Mr. Hannah commented particularly on the "insurance committee for the protection of American industrial plants," which coordinates efforts of various company groups. The committee has 4,000 to 5,000 trained engineers and inspectors over the country making inspections and surveys of war defense plants.

The purpose of these inspections and reports is, of course, to prevent avoidable fires, explosions, accidents, acts of sabotage, breakdown of power units, etc., which would delay manufacture and delivery of needed products and supplies, Mr. Hannah pointed out.

### Advantage of Trained Force

A trained force has the advantage of being acquainted with many of the plants under review and with their management and is able thereby to secure cooperation in the elimination of hazards, and in providing the necessary protection to render those hazards harmless.

Mr. Hannah explained that the extent of those services goes far beyond the ordinary underwriting needs, of the business and because of the low insurance rates on this type of property the volume of premium involved is not substantial enough to warrant anything like the program now under way.

Casualty surveys are made and recommendations submitted to prevent death and injury of trained employees necessary to industries engaged in defense production. Aim of casualty and fire companies is to control, as far as possible, all environment factors which may render a worker less fit for his job.

Mr. Hannah commented that in the regular course of business, insurance helps prevent unnecessary loss and interruption of activities during a crucial period. The business did yeoman service in the last war and is doing this in the present emergency, Mr. Hannah concluded.

## R. L. Barbour Is Associate Editor of Insurance Field

Robert L. Barbour, eight years a successful producer in New York City for New York Life, has joined the "Insurance Field" as associate editor with headquarters in Louisville.

Mr. Barbour, son of R. P. Barbour, U. S. manager of Northern of London, has a wide acquaintanceship among both life and fire insurance men. Mr. Barbour is a vice-president of the Young Men's Board of Trade, New York, and for two years was editor of its monthly magazine. He is also a vice-president of the New York State Junior Chamber of Commerce, and chairman of its committee on subversive activities.

During his eight years in life insurance work Mr. Barbour has published articles on salary savings and business insurance, and was at one time chairman of the publications and reports committee of the New York City Life Underwriters Association.

Atlanta manager for 20 years, retiring in 1927. He emerged from retirement in 1935 to become deputy commissioner.

## Hoffman, Uniform Printing Head, Feted on 25th Year

Floyd C. Hoffman, Chicago, western manager of the Uniform Printing & Supply Co. division of the Courier-Citizen Co., Lowell, Mass., was honored at a testimonial dinner on his 25th year with the organization. The staff were hosts, and John Mitchell, vice-president of Uniform, attended from Lowell.

A fellowship hour preceded dinner. Mr. Hoffman was presented an onyx pen set for his desk by J. B. Bazinet, manager of the supply department, on behalf of the staff. Mr. Bazinet reminisced about the office boy of 25 years ago who ran up and down stairs so fast that he ran right into the manager's job. Telegrams were read from J. F. Riley, vice-president in charge of sales, and Walter B. Riley, vice-president and general manager of the Uniform division. Vice-president Mitchell spoke briefly. Manager Hoffman expressed thanks, and Don C. Coltrin, western sales manager, gave a short talk.

Most of those attending were department heads and foremen, all with more than 12 years' service. Average service of the Uniform men is about 15 years.

## Weekly Premium Fire Cover Wright's New Field

Georgia Fire Insurance Service, Inc., of Atlanta, of which A. R. Wright recently became superintendent of agents, sells insurance on a weekly premium industrial plan, for amounts of not more than \$500 on household goods. Standard fire policies of two or more stock companies are issued. The office has been operating about two years in territory embracing five states.

Mr. Wright served as deputy insurance commissioner of Georgia for 5½ years. His father was William A. Wright, who was comptroller general and insurance commissioner of Georgia and held that office for 50 years. A. R. Wright was not appointed by his father but by the late William B. Harrison.

Mr. Wright's entire business experience has been in insurance, principally life. He was with Mutual Reserve Fund Life Association in New York for 10 years in various departments and then went with Metropolitan Life. He had a traveling position in Canada and the United States, then became superintendent at Columbus, Ga. He served as

## Bell Clarifies Oakland Action

Frank R. Bell of Charleston, W. Va., past president of the National Association of Insurance Agents, has addressed to THE NATIONAL UNDERWRITER a clarifying memorandum regarding the action that took place at the meeting of the



FRANK R. BELL

national councillors at Oakland on the so-called West Virginia resolution. At its annual meeting in 1940, the West Virginia Association of Insurance Agents, he recalled, adopted a resolution for a general survey of the N.A.I.A. by a committee of member agents. In Buffalo that resolution was presented in the national councillors meeting and was referred to the various territorial group chairmen. These chairmen were to consider the matter with the various state organizations and report at the Oakland meeting.

Mr. Bell states that at the national councillors meeting at Oakland, R. M. L. Carson of Glens Falls, chairman of the eastern group, reported against a general survey of the national office, but in another resolution did favor a survey of the national councillors setup. George Carter of Detroit, chairman of the middle western group, reported against a general survey of the national office. The chairman of the far western territory likewise reported against such a general survey. Ed H. Moore of Birmingham, Ala., chairman of the southern group, stated that the south did not make any definite report, because certain state meetings had not been held nor the matter duly considered.

### Bell Explains His Motion

Following these reports, Mr. Bell stated that he merely moved that the reports and resolutions there presented be adopted and be referred to the national executive committee.

Mr. Bell declares that the statement is entirely incorrect that he moved that the matter be tabled and referred to the executive committee. He also objects to the characterization of the West Virginia resolution as a "reorganization idea."

"An honest and constructive survey does not necessarily contemplate a reorganization," he states. He also says it is misleading to refer to the proposal as being identified with him personally since the resolution was adopted by the West Virginia Association of Insurance Agents unanimously.

### Stringent Tests Shown at Laboratories Open House

The Underwriters Laboratories, Inc., Chicago, held an open house for the Chicago Association of Commerce at which the activities of the laboratories in testing products in which there is some ele-

ment of life, fire or accident hazard were demonstrated. The building was set up as an 18-hole golf course for the tour with each exhibit a hole and usherettes who marked the score cards carried by the guests at the completion of each exhibit. The illusion was made complete by the inclusion of several 19th holes at which visitors were served soft drinks from machines undergoing tests.

The most graphic and spectacular sight was an actual test of a section of a building wall including several wired glass windows which were subjected to 45 minutes of roaring flame. A fire hose of 30 pounds pressure was then turned upon the windows and frames to test

their durability. In another section of the laboratories, visitors saw an electrical switch withstand a terrific detonation which rocked them back on their heels.

The degree of fool-proofness demanded by the laboratories for safes and burglary protection devices was demonstrated. In the electric appliance section, radios, victrolas, ranges and irons were shown in candidacy for the laboratories' label. Included among the others and operating for the guests was one of James Roosevelt's juke box-movie machines.

The showers at the end of the round was an exhibit in which sprinklers and fog nozzles were shown being tested.

Guests emerged amazed at the scope and thoroughness of this capital stock institution.

### Nebraska Salary Bill Signed

LINCOLN, NEB.—Governor Griswold has signed the bill increasing the salary of state insurance director from \$3,200 to \$4,500 a year.

Donald N. Brissman of Fargo, N. D., will be married May 28 to Emily J. Meyer. Both Miss Meyer and Mr. Brissman are employed at the Fargo office of the Fire Underwriters Inspection Bureau.

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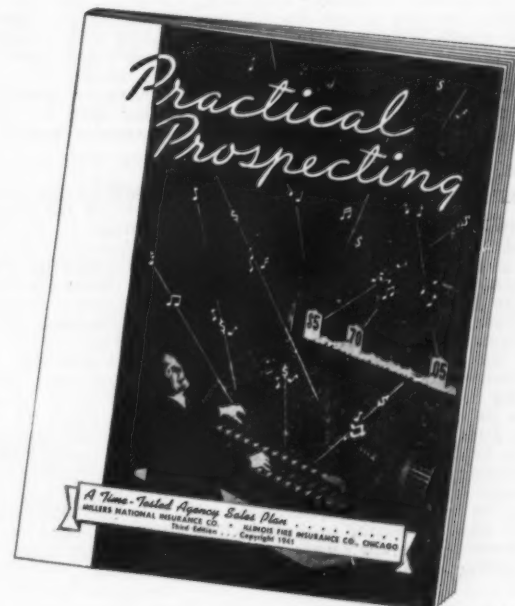
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THIRD, it shows you how to plan your campaigns year round—what coverages are particularly saleable at certain seasons—how to launch your campaigns—how to figure out proper sales quotas for yourself—how to gauge your sales effort to fill your established sales quotas.

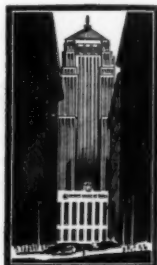
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FIFTH, it shows you how to set up an easily maintained check-up system on yourself—how to disclose your weak points as well as your strong—how to know when you are "right" and how to stay right—how to be your own sales manager in the real sense of the word.

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SERVICE HEADQUARTERS FOR ALERT AGENTS



## Important Topics on Adjusters' Card

### Attorneys' Status Big Problem at Annual Meeting in Dallas May 12-14

One problem for the Association of Independent Insurance Adjusters at its annual convention in Dallas, May 12-14, will be eligibility of practicing attorneys for membership, which arises in connection with a revised constitution.

Other subjects on the agenda, according to L. A. Horton, Oklahoma City, president, will be arranging for a bond for the association and its members. A resolution offering cooperation with federal and state departments, particularly the F. B. I., in stamping out sabotage, un-American activities, etc., will be introduced by Mr. Horton, who believes adjusters can do outstanding work along this line.

The executive committee, which is the governing body of the group, will meet May 10 to handle association business, including applications for membership and recommendations for a budget. On May 11, 4 to 6 p. m., it will hold an open hearing at which members may present their views on any subject.

#### No Difference with Lawyers

Consideration of admitting practicing attorneys to membership, Mr. Horton said, is not an indication of a dispute between them and independent adjusters. It is, rather, a special effort to cooperate with trial attorneys and the American Bar Association in the program the latter has launched with the Conference Committee on Lay Adjusters and its "statement of principles."

The question is whether or not a practicing attorney would confine his work to the field laid out in the "statement of principles." Otherwise, if practicing attorneys and lay adjusters were included in the same organization, adjusters would subscribe to the principles laid down by the conference committee and attorneys might not be required to do so.

#### Roster Publication Is Problem

Another question is whether it would be proper for adjusters to invite attorneys to belong to the association and carry them on the annual association roster in violation of American Bar Association rules.

Mr. Horton pointed out that since the formation of the conference committee there has been a whole hearted cooperation between the two groups. Unfortunately there has been some talk that adjusters are attempting to say that practicing attorneys cannot also adjust claims and losses.

"We have no desire whatever to dictate to anyone as to what they can or cannot do, and the fact that some practicing attorneys also engage in claim work is a matter of no concern to the adjuster. We have no desire whatever to express an opinion or take a position one way or another in that respect."

The association has experienced some difficulty in preparing a proper bond form acceptable to insurance companies and to the association. The association wants either a worthwhile bond that will afford members' clients real protection, or none at all. This matter is being fully considered by the executive committee.

#### Program for Dallas Meeting

The National Association Independent Insurance Adjusters has gotten out its 1941 roster that is being sent to companies. It is attractively made up. It includes a list of the officers, committee members, statement of the "code of ethics" and statement of principles of the conference committee of the American Bar Association on adjusters, as well as the list of members by cities and states.

The final details have now been ar-

## Window Display for National's Agents

With 12 monthly, changeable, flasher-lighted, translucent center panels, this window display now is being loaned



by the companies of the National Fire group to selected agencies with ground-floor windows in good locations. The center cartoon panels, in red and black, are lighted from behind. The main panel is green, and the wings and symbols at the top are yellow and blue. Many of the features of the display resulted from a survey among agents who contributed their ideas. The cartoons are similar to a series in a popular newspaper advertising campaign now being used by several hundred of the companies' agents.

ranged for the meeting at Dallas, May 12-14. At the opening session the first morning, C. E. DeWitt, vice-president, will preside. There will be an address of welcome by Paul Tarrington, president Dallas Chamber of Commerce, and the response will be given by L. A. Horton, Oklahoma City, president of the association.

That afternoon Mr. Horton will preside and there will be a report of the committee in charge of general organization plans for setting up the section on fire and allied lines. Ross Whitney of Chicago is chairman.

J. D. Buckalew, independent adjuster, will give a talk on "Interpretation of Fire and Extended Coverage." Then Eric C. Gambrell will give an address: "Adjuster's Duty to Assured, Agent and Company." W. W. Brooks, Jr., special agent Marine Office of America, will talk on "Ocean and Inland Marine." There will be a showing of movies by E. A. Gormley, manager National Automobile Theft Bureau.

#### Texas Adjusters Dinner Hosts

That evening there will be a stag dinner in the Baker Hotel with the Association of Independent Adjusters of Texas as hosts.

The next morning Mr. Horton will preside and C. A. Moore, vice-president, will lead a general discussion of plans for the formation of a section on casualty. There will be a luncheon of the entire group at the Baker Hotel.

At the session that afternoon Mr. DeWitt will preside. J. R. Pummer, president Commercial Standard, will give a talk on "Comprehensive General Liability" and C. S. Miller of Whitney & Miller, Chicago, will talk on "Aviation." Then E. J. Mannie, adjuster of San Antonio, will talk on "Fidelity and Surety Bonds." Dr. G. Walter Stuck of San Antonio will be the final speaker at that session on "Newer Methods of Treatment of Compound Fractures."

#### Election at Final Session

At the Wednesday morning session the report of the president and secretary and those of various committee chairmen will be given. That afternoon election of officers will take place and there will be action on resolutions. The guest speakers are O. O. Touchstone of the law firm of Touchstone, Wight, Gormley & Touchstone, and Ben Lee Boynton, vice-president of Firemen's in the southwestern department.

The Minneapolis office of American is being moved into new quarters at 535 Northwestern bank building. State Agent K. L. Hingst is in charge.

## Cover Great Bomber for Over \$1,000,000

LOS ANGELES—The world's largest airplane, the 80-ton Douglas B-19 bomber, has been insured for slightly more than \$1,000,000 through the three American markets, Associated Aviation Underwriters, U. S. Aviation Underwriters and Aero Insurance Underwriters. The premium, according to information emanating from the Douglas company, is \$82,000, which covers the first 50 hours of flying.

Newspaper stories indicating that the risk was based on a particularly high rate of risk for the first minute were said to be incorrect, however, as the rate is based on the entire 50-hour period. The time of greatest risk during the test flying, it was pointed out, might be not during the first minute but later on when rigid tests were being tried.

#### May Be Unknown Hazards

One difficulty about so large a ship is, first, that its five-man crew must work with perfect unison and, second, that when a new range of plane size is reached there is the chance that principles discovered in connection with

previous types will not hold good and that entirely new obstacles may be encountered.

The entire coverage was placed with the three American markets, although some of the coverage will reach foreign underwriters through reinsurance treaties. The \$1,000,000 or so coverage taxed the full capacity of the market. In fact the manufacturers wanted to cover the plane for \$3,000,000. The first test flight is scheduled for May 17.

#### Expect Successful Ind. School

INDIANAPOLIS—Everything is set for another successful fire and casualty study conference at Indiana University in Bloomington next Monday and Tuesday. This is the third conference to be sponsored by the university and the Indiana Association of Insurance Agents. It is anticipated there will be a good attendance of agents and their clerks as well as field men and some home office representatives.

Simpson Stoner, Greencastle, president of the association, will preside at the opening session. Presiding at other sessions will be A. Will Jenkins, Richmond; Howard Bradshaw, Delphi; Ralph G. Hastings, Washington; Fred C. Richardt, Evansville; Dean Arthur M. Weimer, of the University, and Herman C. Wolff, Indianapolis.

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## Missouri Hearings to Be Resumed for Month This Summer

First installment of hearings in Chicago by Attorney-general McKittrick of Missouri, who has an ouster suit against fire companies involved in the Missouri fire rate case pending before the state supreme court, will end May 10. In two weeks the attorney-general and his staff have failed to finish up completely with any witness, but they have gotten into the record a mass of material running back through 1929 and consisting of minutes, memoranda, and related documents of the Subscribers Actuarial Committee and the Western Underwriters Association.

With this material, admitted over frequent protests of attorneys for companies, McKittrick hopes to substantiate his charge that companies violate Missouri's anti-trust laws.

### Tries to Show "Concert"

His principal effort in Chicago has been to tie up the Subscribers Actuarial Committee, Western Actuarial Bureau, Western Underwriters Association, Western Insurance Bureau, Uniform Forms Committee, Missouri Inspection Bureau, etc., with companies so closely as to demonstrate "concerted action" in the control and propagation of rates, forms and rules in Missouri.

McKittrick will resume the hearings in Chicago about mid-June, and will attempt to complete them by July 19. On Sept. 15 hearings will be resumed in New York, later moving on to Hartford. The last of the hearings will be held in Kansas City, where McKittrick has a number of witnesses, including former Governor Park, who approved the Missouri fire rate case settlement. At the present pace the hearings will not be completed much before the end of the year.

### Schedule Thomas as Witness

C. F. Thomas, manager of Western Underwriters Association, was expected to go on the stand this week. H. A. Clark, vice-president Firemen's and president Western Insurance Bureau, has been on the stand seven days and may be recalled. J. C. Harding, vice-president Springfield Fire & Marine, will return. R. D. Hobbs, manager Western Actuarial Bureau and secretary Subscribers Actuarial Committee, probably will be recalled.

Commissioner Windsor, who is acting for the supreme court in the hearings, has been permitting admission of most of the records and testimony elicited by McKittrick, subject to later "connection" by the attorney-general, on the basis that the supreme court can't determine admissibility unless it has the material or testimony before it. Most objections by attorneys are based on lack of connection with the issues in McKittrick's case.

## Harrington's Qualification Measure Is Unopposed

BOSTON—Brokers and agents were on hand to support a bill of Commissioner Harrington before the legislative insurance committee, which would throw more stringent safeguards around the licensing of agents and brokers. Commissioner Harrington explained that the bill was to support the statute against rebating. It provided in substance that no agent or broker can be licensed who derives more than 10 percent of his premium income from a business in which he or his or her spouse is employer or employee and from a business in which the man or wife owns more than 50 percent of the stock. The bill is supported by both the brokers' and agents' state organizations. There was no opposition.

To secure resident representation of foreign companies, Commission Har-

ington offered a bill to the Massachusetts legislative insurance committee calling for a license of "special representatives" of foreign companies authorized to do business in the state.

President Hedge of the Boston held the bill would make it necessary for all special agents to be licensed, as well as home office officials, and would compel his company to license all specials in every state, if retaliation was invoked.

### Entertain Paul Jones in East

NEW YORK—Director of Insurance Paul F. Jones of Illinois, having expressed a desire to meet a number of

company officials during his visit to Superintendent Pink here, opportunity to do so was afforded through a luncheon tendered by A. M. Best and Arthur Snyder Tuesday. In addition to Mr. Jones and Ferre Watkins, head of the Illinois liquidation bureau, and Mr. Pink, guests included: P. L. Haid, president Insurance Executives Association; C. W. Fairchild, general manager Association of Casualty & Surety Executives, and Leroy A. Lincoln, president Metropolitan life, all of whom spoke briefly, as did Mr. Best. Superintendent Pink acted as master of ceremonies.

Mr. Jones and Mr. Watkins were in Hartford Monday for a conference with

Commissioner Blackall, and they were entertained at a luncheon there.

### Agents Visit Los Angeles

LOS ANGELES — The southern California branch office of the Fireman's Fund was host to a group of agents who had attended the mid-year convention of the National Association of Insurance Agents at Oakland, including L. C. Hilgemann, Milwaukee; A. D. Langham, Houston, Tex.; F. R. Bell, Charleston, W. Va.; R. D. Watts, Beckley, W. Va.; A. G. Glasser, Buffalo, and Wade Fetzner, Jr., Chicago.

## SELL STANDARD PROTECTION

The constructive activities and widespread publicity of the National Board of Fire Underwriters have made insurance buyers keenly aware of the value of *Standard Protection*. As a result, capital stock companies have brought a substantial increase in sales to thousands of agents and brokers. When you place insurance with a company of Fireman's Fund Group, your clients receive *Standard Protection*, backed by an exceptionally strong financial structure and an outstanding loss-paying record.

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## NEWS OF FIELD MEN

### Wolf Ohio Blue Goose Head: Kansas Field Groups Name Summer Outing in Columbus New Officers at Wichita

COLUMBUS — The Ohio Blue Goose, at its annual meeting this week, elected Fred C. Wolf, New York Underwriters, most loyal gander, to succeed Paul F. Brown, Hanover; W. W. Waters, Ohio Farmers, supervisor; A. S. Snow, Camden, custodian; E. F. Gallagher, Ohio Inspection Bureau, guardian; C. N. Mullican, North America, keeper, and reelected H. F. Albershard, Western Adjustment, welder. The reports showed that the Ohio pond in the last year had the largest membership in its history. Superintendent Lloyd of Ohio spoke at a stag dinner.

The Ohio Fire Underwriters Association at its meeting Tuesday decided to hold a joint meeting with the Blue Goose in Columbus July 8-9. This will take the place of the usual summer outing. The entertainment committee of the Blue Goose, of which J. D. Lecky, Jr., Royal Exchange, is chairman, will have charge of the entertainment. The outing will be held at one of the Columbus country clubs. Committees were named to prepare memorials on the deaths of H. M. Huntsberger, American National, and John R. Martin, who died recently. These new members were received: L. H. Larson, Allemania, Pittsburgh; W. E. Briggs, Allemania, Erie, Pa.; H. A. Newton, Phoenix of Connecticut, and F. C. Perin, American National, Detroit F. & M., who has succeeded Mr. Huntsberger.

R. C. Suran, agent in charge of the F.B.I. office in Cincinnati, told of the organization and operations of the bureau. Representatives of the Fire Prevention Association, the state fire marshal's office and Columbus fire department were in attendance.

The Ohio Fire Underwriters Association and Ohio Fire Prevention Association will hold their annual meetings in Columbus the first Tuesday in June.

### Aetna Fire Makes Midwest and Mountain Changes

W. N. Wycoff, who has served in several capacities in the western department of Aetna Fire group in Chicago, including that of marine underwriter, has been named marine special agent for Iowa, Kansas and Nebraska. His headquarters will be in Des Moines. Mr. Wycoff graduated from Northwestern University's insurance course.

Succeeding B. M. McDonald, who has been transferred to the employees' reserve force after representing Aetna for more than 34 years in the mountain field are W. E. Minner, Jr., state agent for Colorado and Wyoming, and E. J. Nevill, state agent in New Mexico. Mr. Minner and Mr. Nevill have been special agents in the mountain field for some years.

### Chrysler to Great American Home Office Post

P. C. Chrysler has been appointed agency superintendent of the Great American's middle department. He has been connected with the organization for a number of years, recently as special agent in eastern Pennsylvania, with headquarters in Scranton. In the Pennsylvania field he is succeeded by J. H. Thetford, Jr., who is transferred from the Boston office.

### Ohio Farmers Advances Four

Ohio Farmers has advanced four Ohio special agents to state agents. Those promoted are R. B. Hout, Cleveland; O. G. Hesselgren, Dayton, and G. S. Valentine, Jr., and W. W. Waters, Columbus. Each of these men has been with the company a number of years.

WICHITA—W. F. Ehret, America Fore state agent, Wichita, was elected president of the Kansas Fire Underwriters Association, succeeding Howard S. Searle, Crum & Forster, now in military service; George Shank, Fireman's Fund, state agent, Topeka, vice-president, and O. D. Butcher, Hartford, Topeka, secretary, at the annual meeting.

The Kansas Fire Prevention Association elected V. B. Steenrod, North America, Wichita, president; R. H. Priest, Liverpool & London & Globe, Topeka, vice-president, and reelected V. E. Herbert, Firemen's, Topeka, secretary. Mr. Priest was named chairman for affiliated towns in the fire waste contest and J. S. Jensen, Topeka, Fire Association, for non-affiliated towns.

At the Blue Goose annual meeting J. Y. Dickerson was succeeded as most loyal gander by R. E. Hauck, North British state agent, Topeka. Carl Smith, Topeka, Royal Exchange, was elected welder; M. E. Butler, Wichita, North America, keeper, to succeed Shelby E. Holmes, who has left the

Kansas field; E. H. Fikes, Wichita, Home of New York, supervisor; R. N. Colvin, Topeka, American, custodian, and L. A. Magill, Topeka, Kansas Inspection Bureau, guardian.

C. T. Nichols, Great Bend; O. D. Butcher, Topeka, and Clifford Gordon, Wichita, were cited for outstanding fire prevention activities. Special tribute by resolution was paid State Fire Marshal Clyde Latchem for cooperation in fire prevention. Secretary Herbert announced all but one Kansas town eligible to the Inter-Chamber Fire Waste Contest were entered. Retiring officers made detailed reports regarding activities, including President C. E. Stiehl and Vice-president J. G. Updegraff. Preparation for defense inspections was urged by Sam F. Woolard, retired state agent Commercial Union, Wichita, and C. E. Bean, America Fore state agent, Kansas City, in line with similar inspections conducted by fire prevention associations during the first world war.

### America Fore Revises Iowa Field; O'Malley Enters State

Arthur Mapes has been appointed state agent for Fidelity-Phenix and Maryland in Iowa, following the resignation of W. I. Gillen.

Mr. Mapes has been with the America

Fore western department since 1931 in various capacities, the past 3½ years as special agent in Iowa for Continental and American Eagle assisting John W. Hull, state agent. He is 28 years of age and a young man of much promise.

Vincent O'Malley, Jr., attached to the Chicago office, is appointed special agent in succession to Mr. Mapes.

### Smoke & Cinder 35th Anniversary

PITTSBURGH—The Smoke & Cinder Club will celebrate its 35th anniversary at a dinner dance May 10. George R. Arrington, Norwich Union, is chairman of the committee in charge.

The club will hold an outing at the Oakland Beach Hotel, Conneaut Lake, June 17-18, with a dinner the night of June 18. T. J. Beagan, London Assurance, is chairman.

### Schedule Seattle Annual Parley

The annual meeting of Seattle Blue Goose will be held June 27 at Inglewood Golf & Country Club, it was announced at the April dinner meeting. There will be two golf tournaments, the Seattle ganders competing for the Lee McKenzie Cup and the Seattle pond team meeting the British Columbia pond in the first of the home-and-home series. M. B. Pool, Gould & Gould, is chairman.

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## Retires from Oklahoma Field After 31 Years



HARRY E. BENSON

Harry E. Benson, veteran Oklahoma field man and one of the best known company representatives in that area, was retired May 1 as state agent of Firemen's of Newark, Girard Fire & Marine and Pittsburgh Underwriters.

Mr. Benson has served Firemen's as Oklahoma state agent continuously for 31 years, having become associated with the company in that field the same year that Firemen's western department was established. Later he assumed representation for Girard and then for Pittsburgh Underwriters.

Don F. Wright, who has been state agent in Oklahoma several years for Concordia, Milwaukee Mechanics and National-Ben Franklin, takes over as state agent for Firemen's, Girard and Pittsburgh.

Succeeding Mr. Wright is Dale R. Thomas, who has been traveling as special agent in Kansas for several of the Loyalty group's companies. Mr. Wright will handle Mr. Thomas' duties in the Oklahoma field until Mr. Thomas is able to transfer from Kansas.

At a dinner session, James Rutherford, general agent Penn Mutual Life, spoke on "Sitters, Flitters and Thinkers." Karl Richards, U. S. treasury department attache at Paris during the German invasion, will speak May 26.

## Hobbs with F. & G. Fire

E. R. Hobbs has been assigned by Fidelity & Guaranty Fire from the head office in Baltimore to serve as special agent operating out of the Chicago branch office in Cook county and northern Illinois. He succeeds E. T. Baroody, who resigned after 10 years' connection with the company. Mr. Baroody for the time being is concentrating on home construction in the Chicago area and has not announced his insurance plans.

Mr. Hobbs has been connected with Fidelity & Guaranty Fire for about 10 years, doing underwriting work at the home office. He will be associated in his new assignment with Otis L. Butler, engineer, in developing business under direction of Manager E. H. Follingstad of the Chicago branch.

## Automobile's Field Shifts

Wade Wissler, Oklahoma state agent of the Automobile, with headquarters at Tulsa, is being transferred to a similar position in Iowa and Nebraska. He is succeeded in Oklahoma by John Carver, formerly of Missouri.

## Plan Oregon Educational Tour

The Special Agents Association of the Pacific Northwest, Oregon division, through its educational committee chairman, Crosby Owens, has undertaken an educational tour. The Underwriters

Laboratories movie is being used, with Wayland Dunham as narrator and Robert Burke enlarging on the purpose of the program. Special Agent J. N. Bennett is the machine operator. Schedule includes showings at Grants Pass May 6-7, Klamath Falls May 8, Lakeview May 9, Bend May 12 and Astoria May 14.

## Redwine with Hurt & Quin

M. P. Redwine, formerly state agent of Firemen's of Newark in Georgia, has gone with Hurt & Quin, Atlanta general agents, as Georgia special agent.

## Aetna Fire State Agency Moves

The Wisconsin state agency of the Aetna Fire group has moved to 626 East Wisconsin avenue, Milwaukee. P. E. Rudd, state agent, is in charge of the office and C. R. James, special agent, is his assistant.

## Firemen's Changes in Pa.

H. H. Millin, who has been in the field for the Firemen's group in western Pennsylvania, is being transferred to the Pittsburgh office where he will do casualty claim work. Pittsburgh Underwriters, now under Mr. Millin, will be taken over by H. M. Eckels. In addition to his present companies, Mil-

waukee Mechanics and the Concordia Fire, supervision of Keystone Underwriters and Girard Fire & Marine will be given to R. K. May, who becomes state agent and will be assisted by Robert Campbell and Benjamin Malik, special agents.

## Discuss Public Speaking

LOS ANGELES — The Southern California Fire Underwriters Association will meet May 12, when R. F. Yambert will speak on "Public Speaking." President Charles E. Curry will report on the activities of the association, and the conference held in Oakland with the agents' association committee on education relative to the speakers bureau of the Southern California Association.

## Owen Goes with Glens Falls

D. Leslie Owen has been appointed special agent of Glens Falls and Commerce, attached to the Minneapolis office for several months and then to be transferred to Chicago for a special assignment. He acquired much insurance training and experience in New York City. While there he was prominent in amateur hockey, appearing many times in Madison Square Garden. He also coached a high school team

which competed internationally. His headquarters are in National building, Minneapolis.

## Hibbard with National in Va.

C. E. Hibbard, engineer of the Virginia Rating Bureau, has resigned to go with the National Fire of Hartford.

## California Pond Activities

LOS ANGELES—The Drakes (past most loyal ganders) of the California Blue Goose attended a luncheon at which Dr. Anderson, professor of economics at University of California at Los Angeles, talked on economics.

The pond will hold its next regular meeting May 9 and will participate in the meeting of the San Diego puddle May 16-17, when new officers of the puddle will be installed.

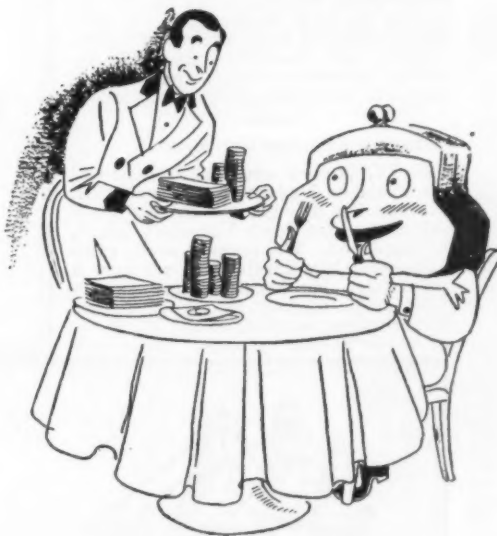
## NEWS BRIEFS

Plans for an "all-out" golf tournament May 24 at Diablo Country Club, were discussed at a luncheon meeting of the San Francisco Blue Goose. George Parrish of Hinchman, Rolph & Landis is general chairman.

At the meeting of the Ohio Stock Fire Insurance Speakers Association in Columbus next Monday, M. A. Vold,

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Jr., Springfield Fire & Marine; H. D. Smith, Glens Falls; E. P. Gustafson, Globe & Rutgers, and W. L. Cowan, New York Underwriters, will present a chat on basic fire insurance policies.

A buffet dinner was staged by the newly-formed ladies' auxiliary of **Seattle Blue Goose**.

A **Blue Goose** luncheon was held in Fargo, N. D., with about 20 attending.

C. H. Christensen, state agent Great American, was the speaker.

In cooperation with the Johnson City Insurance Exchange the **Tennessee Fire Prevention Association** is inspecting Johnson City May 7-8.

The **Ohio Bureau Field Club** will hold its summer outing at Gratiot Beach, Mich., the date not having been determined.

to remain at South Yarmouth for at least two months in the hope of recovering his strength.

#### REVIVE CHICAGO HISTORY PROJECT

Some months prior to his death, Manager Jay S. Glidden of the Chicago Board had been investigating the desirability and practicability of having a history of fire insurance in Chicago written. It was his opinion that some one should be employed to undertake this work.

On his death the project was suspended but recently it has been revived. A committee was appointed consisting of ex-presidents of the organization to

investigate the matter. F. J. Sauter was chosen chairman. Many of the committee favor pursuing the work and having a history written. Nothing definite, however, has been decided.

#### LANSING B. WARNER CHANGES

The Lansing B. Warner reciprocal organization of Chicago is undergoing something of a reorganization as to personnel and method of operation. C. H. Lindquist, who has been eastern supervisor at New York, has been brought into Chicago headquarters in an important production executive capacity. The outside producing force has been reduced considerably and the emphasis is

## AS SEEN FROM CHICAGO

#### CHICAGO BOARD OUTING JUNE 17

The metropolitan supervising agents of the Chicago Board will hold their annual golf outing Tuesday, June 17, at Bob-o-Link Country Club. Guests of the supervising agents will be company executives. Plans for the event are in charge of H. J. Lorber of Rollins-Burdick-Hunter Co. and Richard Skaer, assistant manager of the board.

#### TRADERS MUTUAL CHANGES

Traders Mutual, Chicago fire company organized in 1905, has shifted addresses and officials. Alfred MacArthur, president of Central Life of Illinois, has resigned as president, and G. Hicks Fallin, executive vice-president Peoples Federal Savings & Loan, Peoria, Ill., has been elected to succeed him.

John Bodfish of the First Federal Savings & Loan, Chicago, now is secretary, succeeding L. J. Lehane of Central Life. Horace Russell, member of the law firm of Russell, Bridewell & Palmer, Chicago, continues as vice-president and general counsel.

E. L. Rehm, assistant secretary, remains in charge of the home office of the company and George E. Virden has been appointed agency director.

Home offices have been moved from 211 West Wacker drive to 209 South LaSalle street, Chicago.

These developments do not involve any change in policy, nor any material shift in management, since the savings and loan interests have been active in management for two years or more, and the company will continue to write fire and extended cover in Illinois and Indiana. The MacArthur interests have relinquished ownership in the carrier.

The company specializes in the residential field and is building up its business around homes on which building and loan associations have loans.

It had assets of \$34,805 as of early 1940.

#### CHICAGO BOARD RULE CHANGES

The inclusion of fences and outside radio equipment under windstorm and extended coverage, announced by the Chicago Board removes an exclusion which was the subject of a great deal of local controversy following the Armistice Day storm. Under the new form the insurer is liable for any loss or damage to fences and outside radio equipment while under the old form he was not. The change came as one of seven approved by the Chicago Board.

Two single state reporting forms with specific rates at each location and minimum premiums of \$100 were also adopted. Form A is a report of the monthly average and Form B is a monthly report of weekly averages. These forms have been widely used over the rest of the country and now appear for the first time in Cook county.

The board now has a blanket form covering the buildings and contents of filling stations with a flat rate of 35 cents on premiums over \$100 and 60 cents on premiums less than \$100. This form comes as a natural result of increased standardization in filling stations and will effect a considerable rate reduction in the city.

Two blanket forms for oil distributing tank stations have been inaugurated. One form, covering buildings, machinery, equipment and stock, has a flat rate

of 60 cents. The other form, covering buildings, machinery and equipment, has a flat rate of 50 cents. Flat rate on both is \$1 if the annual premium amounts to less than \$100.

A form to cover additional living expenses will be put into use. This insurance covers the expenses other than the actual rental for temporary quarters which inevitably occur as a result of dislocation.

The rental value insurance form has been amended so that the coverage applies to parts of a building vacant and not rented as well as portions occupied or rented. This is a progressive step which had been anticipated for some time.

A sharp cut was made by the board in the rates for extended coverage for household furniture other than minimum tariff risks. This reduction, from 28 cents to 12 cents, applies chiefly to such establishments as apartment hotels.

#### CHICAGO CHORUS HOLDS CONCERT

The Chorus of Chicago Insurance Men will hold their annual concert on Thursday, May 14, at 8:15 p. m. in the Civic Theater, 11 N. Wacker Drive, Chicago. The chorus, which has won wide acclaim in the city, is directed by Wayne Howorth. The program planned is one of great variety and suited well to masculine voices and tickets are \$1. W. E. Loewe, Marsh & McLennan; H. F. McKeever, Pearl; Clinton Martens-Hughes, Chidley and Reynolds, and H. G. Miller, Hartford Accident, comprise the executive committee of the organization.

#### CHESLEY AT CAPE COD HOME

H. W. Chesley, assistant secretary of the Western Underwriters Association, Chicago, has now gone to the new home that he built at South Yarmouth, Mass., on Cape Cod. The home is newly completed and Mr. Chesley had not seen it previously. His health has been uncertain and he was not able to attend the recent annual meeting of the W. U. A. at White Sulphur Springs. He intends

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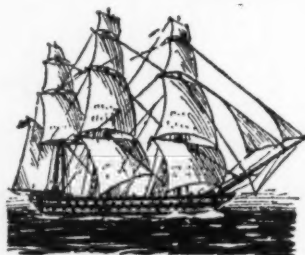
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1941

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being placed upon larger risks, with an increase in the minimum deposit premium. Three of the former Warner production men have gone with American Mutual Liability and Allied American Mutual Fire.

Herbert J. Lorber of Rollins-Burdick-Hunter Co., Chicago, has gone to California to participate as a guest in the famous annual six day trek on horseback of Los Rancheros Visitadores. This is an organization of California ranchers which every spring sponsors a trip from Santa Barbara over the mountains into the Santa Ynez Valley, stopping on the way for lodging and entertainment at the ranches of the members. The custom is a carry over from the days of the Spaniards in those parts when it was the custom every spring for the "visiting ranchers" to band together for making extensive social calls at the far flung haciendas of members of the band.

Karl D. King, assistant secretary-treasurer of Fred S. James & Co., Chicago, has returned from a two-weeks vacation at Sarasota, Fla.

W. J. Smith, examiner in the general cover department of the America Fore's western department in Chicago, lost his wife following an acute attack of appendicitis.

## NEW YORK

### AMERICA FORE SUMMER HOURS

America Fore has announced the summer schedule hours. Starting with the first Monday in June and continuing through the final Friday in September, daily hours will be from 9 a. m. to 4:30 p. m. The offices will be closed every Saturday commencing May 31, through June, July, August and September. In recent years America Fore has been closing Saturdays during July and August.

### SCOPE OF DPC IS REVIEWED

The Defense Plant Corporation, for whose plants and equipment new coverage was recently worked out, now has about 100 establishments that are being operated by lessees. The DPC was set up under the Reconstruction Finance Corporation as a means of providing facilities for defense production for manufacturers who could not undertake such developments themselves. The plans and the equipment are the property of the federal government and the facilities are leased to manufacturers. Upon completion of the defense contracts the properties will be returned to the government although it is possible for them to be sold to the manufacturer.

The several interests involved in the insurance project were brought together by Johnson & Higgins of New York. That house arranged a series of conferences at which the problems were discussed and policy provisions worked out to deal with them.

### SLATE MINNER FOR PRESIDENT

The following have been named by the nominating committee of the Insurance Society of New York for officers and directors to be voted on at the annual meeting May 20:

President, W. G. Minner, president Minner & Barnett, Zurich manager; vice-president, W. A. Riordan, assistant general manager Aetna Life companies, and D. C. Beebe, president United States Aviation Underwriters; secretary, E. R. Hardy, secretary-treasurer Insurance Institute of America; treasurer, F. F. Koehler; new directors, A. G. Borden, second vice-president Equitable Society; A. N. Butler, vice-president Corroon & Reynolds; F. N. Dull, vice-president Continental Casualty; J. J. King, president Hooper-Holmes Bureau, and William MacInnes, manager claim department American Surety.

Both Mr. Minner and Mr. Riordan are now vice-presidents and each has

### Rockwood Company Agency Celebrates 45 Years

The Rockwood Company, Chicago general agency, is celebrating its 45th

anniversary with a production contest and will hold a dinner at the Union League Club, May 16, for employees and office associates. Harry W. Anderson, assistant superintendent of agents of Travelers, who formerly managed the Rockwood life department, will attend. J. E. Rowland, vice-president Rockwood Company, will be toastmaster at the dinner.



W. C. Butler

This agency was formed in 1896 by Archibald W. Taft, becoming Taft & Rockwood in 1905. Successively, L. M. Harvig, R. R. Rawle, F. P. Wood, Harve W. Badgerow and the late N. J. Westerhold joined the firm. Messrs. Harvig and Rawle are now vice-presidents, and recently Mr. Wood retired as president. The name was changed to Rockwood-Badgerow company in 1914 and in 1924 took the present title.

The Rockwood Company has represented the Travelers throughout most of the 45 years for all insurance lines and surety bonds. It has grown rapidly in the last few years under the leadership of W. Carter Butler, president. This was one of the first agencies in the country to establish a definite educational program, instituting a Monday morning meeting for brokers in 1908 which has been continued uninterruptedly. There are 26 employees with total service of more than 500 years with the Rockwood Company, five women averaging 20 years' service and 20 brokers with the firm more than 10 years. The office personnel now numbers about 65.

served on the board for several years. Mr. Beebe, too, has been a director and actively interested in the work of the organization for the past three years.

### N. Y. FIELD CLUB ELECTS

William L. Bennett, special agent for Northern Assurance on Long Island, was elected president of the New York Field Club at the annual meeting Monday. He succeeds John B. McMillan, Providence Washington.

Louis B. Burket, Commercial Union, was made vice-president; William J. Gluf of Franklin Fire was elected secretary of the organization while William R. Manley of London and Lancashire was chosen treasurer.

### BROOKLYN BROKERS DINNER

The Brooklyn Insurance Brokers Association held its annual dinner Tuesday evening with Col. Arthur V. McDermott, director of selective service for the city of New York, as the principal speaker. Superintendent Pink of New York was called on to say a few words. There was a large turnout of brokers as well as men prominent in the insurance business.

George F. Sullivan, president of the General Brokers Association of New York, was toastmaster. Alex Goldberger, president of the Brooklyn Brokers, reviewed the association's progress and presided at the meeting. R. C. O'Connor was in charge of arrangements. Mr. Pink, for the association, presented J. E. Fries, past president, an engraved watch.

### WHELEHAN TO ADDRESS BROKERS

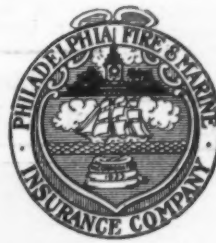
Deputy Superintendent J. Donald Wholehand of New York will lead a discussion on how the present insurance laws apply to the broker at the next meeting of the General Brokers Association of the Metropolitan District Wednesday evening. The meeting will be preceded by a dinner.



## AH, SPRING!

These are days when men may get a little restless at their work, and even yearn for change. Spring Fever, the complaint is called—and agents are not immune.

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## North Carolinans Oppose Industrial Fire

(CONTINUED FROM PAGE 5)

The greatest problem of the day is that of non-stock and cut rate competition. "To sell a product for 25 percent to 40 percent more than a competitor charges, one must be able to convince the prospect that his product is worth the difference," Mr. Johnson said.

"The day of the old order taking insurance agent who relied on his friends, relatives and business connections to give him business is past and if an agent is to survive the day he must above all have a profound knowledge of the business."

### Advice to Companies

The companies are primarily responsible for imparting this knowledge, he said. They should train their special agents more intensively and should have in their organizations men who are especially qualified to teach or lecture in schools and meetings for agents. He suggested that some of the large fire groups might operate schools for training of their own employees and agents as do some of the casualty companies. The companies should seek to make the manuals concise and easily understood. He said the casualty companies are making improvements in this line but he said he feels the stock companies are behind the procession.

The companies should not wait to reduce rates until they are forced to do so by the authorities, he asserted. When rates are reduced under duress, the public gets the impression the companies are interested in inordinate profits. The fire companies, particularly, he said, should make an honest, sincere effort to reduce the expense loading. He expressed the opinion that the agents will cooperate in any way possible toward that endeavor.

The companies should take the agents into their confidence. There should be more conferences on common problems.

He renewed the plea that the casualty companies form a field men's conference in North Carolina similar to that of the fire companies. The organization along that line that has been formed can accomplish little, he said, because the companies give their field men so little authority.

The Redden Cup was awarded to Winston-Salem and Louis Connor Memorial Cup to J. C. Nicholson of Winston-Salem.

### ACCIDENT INSURANCE

"Personal accident insurance is a line for which there is universal need and appeal," W. F. White, superintendent accident and health department Eagle, Globe and Royal Indemnity, said in speaking on "The Values of Selling Personal Accident Insurance to the Multiple Line Agent." He called attention to the fact that last year in the United States over 2,500,000 people received cash benefits from accident and health insurance, which was more than the total population of both Detroit and Cleveland.

"This is no sideline business," Mr. White continued. "Last year over 16,500,000 people were protected by personal accident or accident and health insurance. This included wage earners and non-wage earners, men, women and children. Compare this with the 40,000,000 wage earners now employed in this country and you will have some conception of the millions of uninsured who are still waiting for you to sell them."

### Importance of Renewals

"No other form of insurance offers you so great an opportunity for increasing your own income. There is not an agent here who could not sell at least one accident policy every week. Forget about the premium, that will take care of itself; it will average about \$32 a

policy. In 52 weeks you have made yourself a commission of \$416 and you had very little work to do. Next year at least 80 percent of the business will renew, so you earn another \$332, plus \$416 for the 52 new policies you sell that year. Project these figures for five years and at that time you will be earning \$1,397 a year in commission. Not a bad job, is it? Well now let us say you get lazy and stop writing new business. (Stop if you can, but let's not argue that point.) Again we find at least 80 percent of the business renewing, so at the end of the sixth year your commission is \$1,117 and at the end of the seventh year it is \$892. The following years you have the same 80 percent renewing. Here again let us continue this proportion through the succeeding years. You will find that it will take 35 years before the commissions are totally absorbed. Isn't that the most lucrative work you could ever do? Work for five years and get paid for 40 years."

Mr. White concluded his address with several sales presentations which showed the ease with which personal accident insurance could be sold.

### BERRY'S TALK

War or peace, the insurance business still has to contend with enemies from without and weaknesses from within. Peter J. Berry, president Security of New Haven, said.

Outside, the danger chiefly is rising costs of government in government bureaucracy's effort to extend and perpetuate itself. Taxes are part of the problem. Taxes for necessary and useful purposes which will help increase production and create new wealth can be and have been well worth having. But a new concept of taxation operating in this country seeks to tax for social and national ends as opposed to taxation for revenue only. This policy looks toward the redistribution of wealth by means of taxation.

Mr. Berry expressed belief that when and if a T.N.E.C. investigation is made of fire, marine and casualty business it will emerge in the same commendable way the life insurance companies did.

Mr. Berry thinks the chief weakness

### Presidential Message at N.F.P.A. Meeting



A. R. SMALL

A. R. Small of Chicago, president Underwriters Laboratories, as head of the National Fire Protection Association, will give the presidential message at its annual meeting in Toronto next week.

within the industry is failure of companies and agents to organize themselves into a full-fledged, united fighting force with complete unity of purpose.

He urged a strong faith in the business and those operating it, and deplored a defeatist attitude.

"If you don't think that you are getting your fair share of the insurance on the defense contracts in your community, don't let it discourage you. Forget about it and get out after the regular run-of-the-mine business. Your agencies and stock companies were not built on the type of business that is here today and gone tomorrow. If we all get our share of it—fine, but let's not stop plugging if we don't. Remember it's the regular premium-a-day man who is the backbone of the industry. It's not the easy way, but it's the fundamentally sound way and moreover it's the real American way."

Mr. Berry reviewed the work of the National board, pointing to its accomplishments in the last war, its arson work, elimination of technicalities from policies, and help in reducing the fire rate from 86 to 67 cents, or more than 22 per cent, from 1930-1939.

Stock companies have made fire insurance what it is today, a good piece of goods, all wool and a yard wide, offered at the lowest price in history, he declared.

"We are facing critical days ahead and in my opinion the continued success of the capital stock insurance-American agency system combination depends entirely on our ability to solve our business problems, not separately, but together," Mr. Berry concluded.

### COMPREHENSIVE COVER

Describing comprehensive liability coverage as the latest turn in the wheel of underwriting progress, John H. Egof, supervisor of the casualty division of agency field service of Travelers, discussed "Sales Aspects of the Comprehensive Liability Policies."

"In my opinion," said the speaker, "the comprehensive policies are going to change the whole concept of merchandising liability insurance. If an insurance buyer will pay a premium on every known ratable liability hazard to be found at inception of the policy and will agree to pay on audit any additional exposures arising during the policy term, the insurance company in return will provide a policy that agrees to defend each and every bodily injury or property damage liability claim caused by accident, subject to a few simple exclusions. The burden of determining what to insure and what not to insure is removed from the shoulders of the insured and placed squarely on the producer and carrier."

"No longer will an insured with owners', landlords' and tenants' coverage in one company and with elevator coverage in another company take them both to court to prove where the claimant fell down. No longer will an excited client shout, 'Why didn't you tell me coverage was available and that I needed it? I would gladly have paid the premium.' Since a risk cannot choose the kind of accident that will give rise to the need for liability insurance, it is wise to be protected against all losses under one policy. One policy, one premium and worry regarding liability insurance is off his mind."

"As retrospective rating is to compensation, the comprehensive policies are to liability: The opening wedge to unlimited millions in premiums."

### U. S. Chamber Sides With State Regulatory System

(CONTINUED FROM PAGE 5)

average distribution, should be permitted. The regulation of insurance should avoid interfering with functions properly belonging to management.

There was a memorial on fire waste stating that the annual loss by fire seriously affects the normal gain in na-

tional assets and may curtail production that is now so essential. The importance of defense calls for constant attention to preventive measures for all contingencies. In reducing preventable fires, proper state and municipal legislation is necessary. Approved modern building codes and ordinances to regulate the use of hazardous material and processes are essential. Personal liability for damages to others through fire caused by negligence should be enforced. States that do not have the model arson law should adopt such legislation.

Another resolution declares that the principle of certification and registration of automobile titles, now adopted by most states, should be put into force by all states so that the federal statute against interstate transportation of stolen automobiles may have its greatest effect.

### Auto Liability Resolution

There was a resolution on automobile liability insurance stating that the primary consideration of any financial responsibility law should be reduction of the number and severity of accidents. Strict enforcement of such laws coupled with a well rounded program of traffic safety education and highway engineering is the best solution to the problem. The chamber reaffirmed its opposition to compulsory insurance and stated that it is opposed to the creation of state automobile insurance funds.

As to marine insurance, there was a resolution opposing the writing of this form of cover by the government except in times of emergency and then only to the extent that such insurance is not available in the private market. The present federal laws and their administration are in harmony with that position and the resolution advocates that this policy be consistently followed.

One memorial declared that special state taxes now levied on policyholders through insurance companies should not be considered as a source of general revenue, but should be reduced to the total in each state which will adequately support the departmental supervision and a uniform principle of taxing insurance should be adopted throughout the states. This should exclude all other taxation excepting on tangible property. Such taxes are, in effect, sales taxes upon the thrift of citizens who have provided protection against misfortune. Identical taxes should be levied upon state operated insurance funds in fields where insurance coverage is available in private companies which are taxed.

As to workmen's compensation, there was a resolution against monopolistic state compensation funds on the theory that they interfere with freedom which all private enterprises should possess. Employers to qualify should be allowed to be self-insurers. They should likewise be permitted to cover their liability with insurance companies. Business men's organizations should analyze proposals in legislatures with respect to workmen's compensation so as to protect the system for its true purposes and oppose all attempts to abuse it at the expense either of employee or employer.

### Day with West Bend Mutual

Evan O. Day has been appointed Minnesota state agent for West Bend Mutual Fire of West Bend, Wis. He is a graduate of the Armour Institute fire protection engineering course in 1922. Following graduation he was connected with the Minnesota rating bureau, when he took over his father's local agent at Kalispell, Mont. In 1935 he disposed of his local agency and became a field man in Minnesota for the Mill Mutuals.

### Moves Headquarters to Houston

Due to the development of its business in the gulf and Mississippi valley territory, Excess & Surplus Line Brokers, Inc., of which E. J. Brockmann is president, has moved its general headquarters from Denver to Houston, Tex., with offices on the 14th floor of the Sterling building.



## Neb. Agents Hear No Honeyed Words

(CONTINUED FROM PAGE 5)

of J. G. Elliott, Scottsbluff; M. G. Volz, Lincoln; Ed Heflin, Omaha and the nominating committee, Earl Wilson, Lincoln; Arthur Felger, Norfolk; Henry Kosman, Omaha, and George Cowton, Grand Island.

### Reports on Legislative Work

In his report on legislation, Earl Wilson stated that while measures had not been adopted as desired, the association was at least now being heard, which was not true a few years ago. He voiced the opinion that the qualification bill

Earle L. Ritner, North Platte, first vice-president, gave an interesting and complete report on the several sessions he attended at Oakland mentioning in great part highlights from the many selling ideas and agency operating methods he heard discussed.

About 175 registered. National Security Fire supplied entertainment at the banquet.

### Hofmeister Gives Warning

G. E. Hofmeister, vice-president of Continental Casualty, in addressing the Nebraska agents, discussed the coverage extended by the new comprehensive liability contracts, explaining some of the difficulties which still stand in the way of writing them. He suggested how to sell this coverage so that difficulties will not arise upon audit. He pointed out the necessity for clear-cut understandings and complete explanations of everything that might happen to the insured premium-wise at the end of the year. When handling a comprehensive risk the agent's problem changes from one of explaining and arranging individual covers to one of explaining and selling to the insured the premiums which he will be called upon to pay upon audit, assuming that new hazards may arise during the policy year which he might easily have overlooked and, therefore, not insured under the old system of separate coverages. He emphasized that the agent cannot overlook these points in the fear that an explanation might ruin his sale, and that the handling of comprehensive risks is going to call for a certain amount of intestinal fortitude among those agents who have previously made sales by getting the order and leaving as soon as possible before too many questions are asked. The coverage angle of the policy will sell itself and the agent's job is to sell a clear understanding of the premium charges if he wants to do the job right.



G. E. Hofmeister



JOSEPH BARKER, JR., Omaha  
Retiring President

was loaded too heavily, included too many lines and was confusing to legislators. Neither did the association receive the full cooperation to which it was entitled from companies. However, the association accomplished something by suppression of a number of undesirable bills, and has learned a great deal about the machinery of lawmaking. He suggested that new bills of this kind should be short, clear, and simple.

J. S. Logan, Nebraska department attorney, suggested that in two years the association should have a lobbyist who is familiar with what it takes to insure passage of legislation. The association, he thinks, has really accomplished a great deal; what is needed now is complete unity of the membership on some sensible program and then all the members get behind it.

### Abrahamson Gives Message

C. A. Abrahamson, Omaha, reported on the recent mid-year meeting in Oakland. Through his efforts it was made a matter of record at the Oakland meeting that every agent had the privilege of naming an agent in another state to receive the 5 percent on countersigned policies, and not having the companies name the agent as some companies are said to be doing.

### AUTOMOBILE UNDERWRITER WANTED

American stock fire insurance company writing substantial volume automobile, fire, theft and collision business in western territory, is seeking experienced underwriter with executive ability, capable supervising underwriting and managing automobile department. Excellent opportunity for man meeting requirements. Please answer fully, giving date of birth, outline of experience, salary expected, and draft status. Address Box N-34, The National Underwriter, 175 W. Jackson Blvd., Chicago, Illinois.

### WANTED

Position with Fire Co. as State or Special Agent in St. Louis territory. Many years experience with Rating Bureau and rate engineering work in large agency. Well known among agents in St. Louis. Address N-32, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

to in states where the practice was permitted, but still it did not solve this unsatisfactory condition. The contractor should have the right to do business with agent and company of his own choice.

While long range planning is exceedingly difficult today, that is no justification for standing still, Mr. Moreton concluded.

Arthur B. Dunbar, Omaha, national councillor, made a report on the Oakland meeting. Among other items he mentioned several changes being made in the U. & O. work sheet to bring it up to date on account of the defense program.

Frank Landis, special assistant to the Nebraska director of insurance, spoke on licensing of agents. He said his remarks were not the expression of the department but were results of a survey made by the department recently.

The Nebraska department issues only one license which includes all lines of insurance, but much insurance is sold through banks, real estate offices, finance companies, savings and loan associations, etc. The department will protect the agency system to as great a degree as the statutes will allow. In other words, insurance selling is for insurance agents.

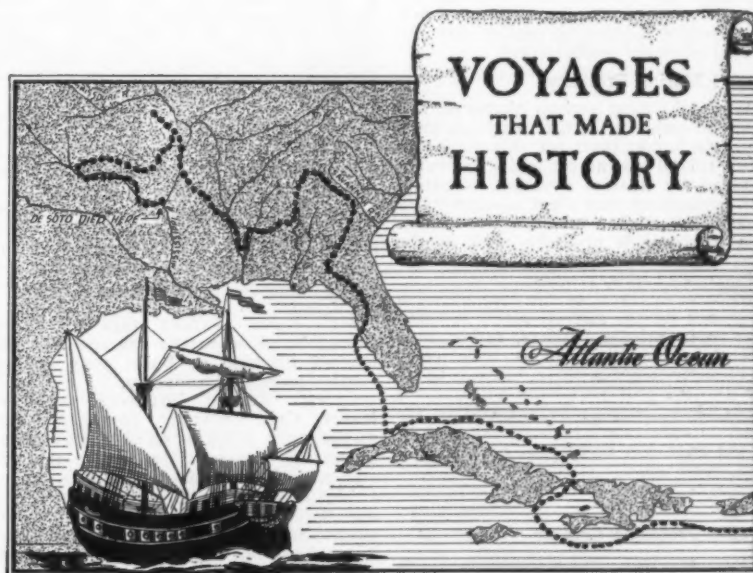
In this connection, licenses of four Omaha bankers have been refused recently as well as several building and

loan associations in larger cities. Mr. Landis took a rap at manufacturers and finance companies which have insurance affiliates, and licenses in these quarters are being canceled as soon as they expire, and will be refused in the future. No car dealer or employer in Nebraska will be able to obtain a license to sell any kind of insurance; either he sells automobiles or insurance, but not both. Nebraska apparently is the first department to bring this situation to a head.

The Fire Companies' Adjustment Bureau is closing its office at Elizabeth City, N. C., and transferring the territory heretofore serviced by that office to the supervision of Norfolk. Lewis T. Powers, heretofore adjuster in charge at Elizabeth City, is transferred to Raleigh.

H. L. Marshall, manager of the Marshall agency of Abilene, Kan., his wife and his son have left for a 30-day vacation in Colorado, New Mexico and California. Mr. Marshall, who has been in ill health, has now considerably improved and expects to be back at work by June 10.

Garrett Horder has been named assistant to B. B. Pelly, marine insurance manager at Seattle for Balfour, Guthrie & Co. Mr. Horder was formerly with Travelers.



### MORETON'S TALK

Strongly criticising branch office methods of production, Fred A. Moreton of the J. B. Moreton Co. general agency, Salt Lake City, urged Nebraska agents to "secure the representation of first class companies and then sell yourselves, not the company, to the public."

"You own your expirations, and the only way to preserve this ownership, to build and leave an established business and estate in the form of an agency, is to sell yourself, your agency." This can be done because agents seldom are asked to place a certain policy in a certain company.

Mr. Moreton said he believed that in spite of its shortcomings, the countersignature agreement is helping stem the tide of restrictive state countersigning laws that were causing irreparable injury to the insurance business. There has been an almost universal approval of that section of the agreement outlawing countersignature by salaried company employees, and the agreement between companies to refrain from direct writing, he stated.

Requirement of four competitive bids for insurance on government cost-plus-a-fixed-fee jobs, two from mutual and two from stock companies, has put the latter at a distinct disadvantage, commented Mr. Moreton, as the government has given credit in the computation of the net premium cost for the usual dividend which has been paid by the mutual company submitting the bid. Systems of equity rating were resorted

To recover the magnificent fortune he had squandered in Spain, Hernando De Soto set out in search of gold in the New World. His desire was to conquer Florida, where he landed in 1539 at Tampa Bay. Falsely told by hostile Indians of a land rich in gold lying many miles north, De Soto traveled through the dense forests of what are now Georgia and Carolina. After 3 years of marching and fighting, he came to the Mississippi. But the finding of a great river was not sufficient to cheer this gold-loving Spaniard, who felt that his expedition was a failure. When he died of a fever the next year,

his companions buried him in the mighty river he had discovered.

THE Mississippi, with its 40 tributaries, forms one of the great inland navigation systems of the world today. Over 15,000 miles of waterway are capable of being used for commercial transport purposes; the entire area drained is over one-third the area of the United States.

George S. Kausler, Ltd., Appleton & Cox Regional General Agent, at New Orleans, Louisiana, is one of the largest writers of hull and cargo insurance on vessels plying the Mississippi River and its tributaries. This agency is the type of many general agents and branch offices located throughout the United States, to furnish agents and brokers specialized service on all forms of ocean and inland marine coverages.

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## Aircraft Factories Strain Capacity of Insurance Market

(CONTINUED FROM PAGE 3)

situation in the light of the opinion, universal a few years ago, that the fire insurance business was over-capitalized and over-expanded. Southern California fire insurance men, however, find the rate situation even more exasperating. Years of competition, principally between the factory mutuals and the stock company factory groups, drove the rates for these aircraft plants down to levels regarded as ridiculous. Now, in a seller's market, premiums are no longer an issue and much more substantial rates could be obtained, but it obviously would be political suicide to try to raise them.

Much of this business is written under provisional reporting forms and values are climbing monthly. Coinsurance clauses are included and no fire insurance man likes to contemplate a severe partial loss under present conditions. Extended coverage is included, but it is not believed that much, if any, vandalism insurance is carried on these risks. Broad form vandalism cover, including damage by secret agents of foreign governments, would be the only kind worth carrying and the rate for this is believed to be too high to be attractive to these assured. The plants are well policed and most observers feel that any serious sabotage loss would take the form of either fire or explosion, both of which are covered by the fire policy and extended coverage endorsement.

### Inland Marine Problems

While the most serious phases of this situation concern the fire insurance business, its implications are felt down the line. Inland marine capacities are being strained by floaters covering construction equipment and plant equipment in transit. A similar inland marine situation exists with property used in the construction of the new and expanded shipyards in this vicinity.

Apparently, most of the compensation insurance for the aircraft plants is being written in private carriers, rather than the state fund. There is little comment regarding this phase, but it is taken for granted that premiums will show a tremendous increase by the end of the year. Experience has been satisfactory in the past, but operations at high tension, plus the use of thousands of new employees, makes the future anybody's guess.

### Traffic Problems Created

The myriads of aircraft workers' automobiles have caused serious traffic problems around every plant, but most casualty underwriters regard these cars as entirely acceptable risks. Many of the plants are so situated that it is necessary for employees to drive to work and most underwriters feel that the time these automobiles lie idle in employees' parking lots more than offsets the traffic hazards. There has been some scrambling for this automobile business and the fate of the bill against fictitious fleets now in the California legislature will probably have an important effect on the outcome.

### Moore Heads Texas Bureau

The annual meeting and election of officers for the Texas Inspection Bureau was held at Dallas. The new officers are W. L. Moore, president; M. B. Elbert, vice-president; Edw. R. Smith, secretary.

The executive committee consists of the officers and M. G. Jarreau and A. Sidney Briggs.

The governing committee is. W. E. Bonner, Mr. Briggs, C. G. Dempsey, Mr. Elbert, Carl M. Hunt, Mr. Jarreau, Frank O. Long, Mr. Moore, J. F. Nowlin, Edw. R. Smith, J. O. Smith, J. H. Speed, C. A. Woolford, Jr., C. J. Wykoff and S. Foster Yancey.

## Insurance Problems of Defense Program

(CONTINUED FROM PAGE 3)

ing farms. The special agent who was teaching him, seeing a farm's fence-rows grown up with weeds, told him not to bother to inspect the farm but to order the policy cancelled, since the farmer would sooner or later have a bad fire. He admitted that sometimes a corporation will take the view that even though their plant superintendent is a sloppy housekeeper he is a good production man and nothing can be done about it.

Mr. Roloson also said that many plants have taken on new products which are deceptively like what has been produced and yet there is frequently a great increase in the fire hazard. He cited magnesium products particularly in this category. In another plant which had been processing ordinary iron the taking on of stainless steel introduced a new chemical, hydrofluoric acid. This plant would have had some very nasty industrial disease cases if the dangers of using this acid had not been pointed out to them in time. He urged that all insured check with their insurers to see

what to look out for in handling these new materials. He urged every one to read the April National Fire Protection Association bulletin which contained the very latest advice on how to handle many new products. This contains much of very practical value.

### Betterley Makes Suggestion

P. D. Betterley, insurance consultant, suggested that all testing laboratories send out information on the work they are doing with new materials and processes.

Mr. Adams said that conditions are not particularly different from those in earlier periods of speeded up production and that in the last analysis the solution is eternal vigilance and that when management wants to prevent fires it can do so. He particularly stressed the importance of adequate sprinkler systems and the fallacy of supposing that there will be no fire losses just because a building is supposedly fireproof or even constructed entirely of reinforced concrete.

## U & O. Problems Are Analyzed

A plant undertaking a program of expansion should buy its U. & O. coverage on a loss-sustained basis, said Dale F. Reese, vice-president Hartford Steam Boiler. He and Vice-president W. J. Montgomery of the Ernest W. Brown reciprocals acted as technical advisers in the U. & O. discussion. Loss sustained basis is better than valued in the boiler U. & O. field for an expanding business, Mr. Reese said.

The course which Mr. Reese suggested prevents the insured's not being fully reimbursed by reason of the measuring stick for the loss being smaller than it should be.

Boiler and machinery policies may be endorsed to cover sabotage and malicious mischief for accidents which would otherwise be covered by the policy, Mr. Reese said in answer to another question.

Mr. Reese warned that attention should be given to the damage that an insured machine or boiler may do to nearby uninsured property.

George Rogers, insurance manager Robert Gair Company, commented on the difficulty of trying to pick out certain objects to insure. Mr. Reese readily admitted that the best plan is to carry a blanket policy. He said that years ago the Hartford and some other companies had reinsured some of the riskiest objects but found they often picked the wrong ones to reinsure.

One questioner brought out the conflict between the extended coverage endorsement under a fire policy and the boiler U. & O. policy. Lawyers are still in doubt, said Mr. Montgomery.

### Penalties for Delays

Penalties for delays under defense contracts could be covered by proper consequential damage endorsement provided the delay was due to an accident to an insured object, said Mr. Reese.

Whether or not the building itself should be the rating basis for fire U. & O. was a question put to Mr. Montgomery because of the greater replacement difficulty due to the defense program.

The question, he said, comes down to the two factors in U. & O.: first the occurrence of the hazard and then the difficulty or delay in getting the loss repaired, and how these two factors are to be weighted in appraising the risk.

Loss of trade or of competitive advantage is still regarded as too intangible to insure, said Mr. Montgomery, but it may be written in the future. It will be difficult to set up a rate basis, he predicted.

Difficulties with U. & O. adjusting are overestimated, he said. There are

more chances for trouble with a fire policy than with U. & O.

"How can fire U. & O. be applied to a large electrical utility, also to a big gas utility" was another question. Extra-expense insurance is usually the best answer, for a utility can usually get a supply of electricity or gas from competitors but there is usually a higher cost, said Mr. Montgomery.

Mr. Rogers directed particular attention to the use of U. & O. to preserve an employer's merit rating status under some states' unemployment insurance laws. There are many complications, it developed, a major one being the differences in state laws.

President A. E. Dodd of A. M. A. announced that attendance had set a new high for these insurance conferences, something over 450.

## STRUCTURAL COVER

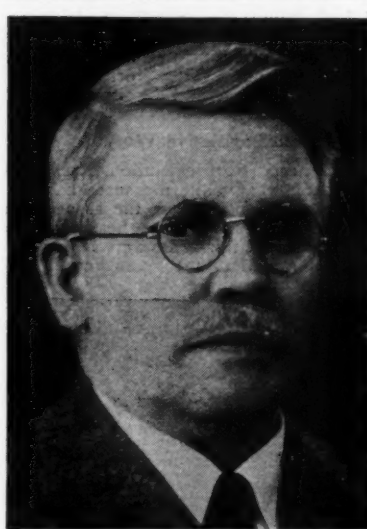
Great interest was shown in the discussion of structural continuance insurance at the dinner-smoker. John W. Coffee, manager of the structural continuance department, and Henry O. Fraad, engineer Universal of New Jersey, explained its advantages, rate structure, provisions, restrictions and limitations. They answered so many questions that the meeting went far past the usual informal dinner meeting time.

The lengthiest discussion centered around the two insuring clauses and the rate structure. It was difficult for the speakers to get across that the A clause was the pure insurance clause, which determines liability and insures against physical damage sustained from climatic conditions, and that the B clause takes a radical departure by insuring against repairs or loss prevention. Also, it involved much explanation to make the audience understand that profit for the insurance company comes from the underwriting end, or A clause, and that the B clause, in spite of the fact that the company has its own comprehensive maintenance force thereby saving considerably on repair costs, is not profit bearing.

### Rate Structure Different

As for rate structure, it required a detailed example to point out that there is no general rate for the coverage, but instead a specific rate for each building or group of buildings. The company has a base rate on a hypothetical building and the rate for each individual contract is promulgated from the base rate. Where the promulgated rate is five times the base rate the building is automatically uninsurable. The company

## To Disclose Plans for New Insurance College



DR. S. S. HUEBNER

Dr. S. S. Huebner of the business school of the University of Pennsylvania, who is president of the American College of Life Underwriters, will be the central figure at the conference in New York May 16 to discuss the idea of setting up college of property and liability insurance. A number of insurance organizations will be represented at that gathering.

likes to keep an assured on the books for a long period of time, the period of the policy being three years, for not only will the renewal be some 30 percent cheaper than the first policy, but once the original repairs are made on a building under the contract the upkeep is comparatively simple.

When asked if it weren't similar to property life insurance, the speakers were quick to explain that as they understood property life insurance it builds a fund to replace a building eventually. Structural continuance does just what the name implies—it preserves a building just as it is and insures against its depreciation.

### Company Can Repair Cheaper

The audience was curious to know how the insurance company can keep up repairs on a building cheaper than the owner if damage is inevitable. The answer was: "By postponing the inevitable by proper upkeep." In other words, most building owners repair a building after the damage is done, whereas under the policy the company's engineers must make detailed surveys twice every 90 days and often times get at the cause of the damage before the damage is done.

Of interest was the fact that individual residences are not covered. It was pointed out that the cost of a detailed survey would necessitate a prohibitive premium, which the home owner could not afford to pay.

Structural continuance is particularly attractive today because it provides for materials not available and for labor not procurable under the national defense program. The coverage has an appeal to the man who pays the bills. It is being bought more and more, as the forecast for private building is not encouraging and the trend is toward remodeling and modernization.

### To Hear "Malaya" Officers

NEW YORK—At its meeting next Tuesday evening, Insurance Post 1081, American Legion, will have as speakers officers of the "Malaya," damaged British warship which is being repaired at the Brooklyn navy yard. Vice-Commander Arthur Kistner, Yorkshire, is in charge of arrangements.



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## OBSERVATIONS

### Inventories Up, Pace Now Fast

Fire insurance throughout the country is moving at an increasingly accelerated pace week by week these days. The activity is immediately apparent upon entering almost any fire insurance office. The demands of the day are ever more insistent and there is intense concentration up and down the line. Every one is busy and is jealous of his time.

This rush of activity has become apparent at various times in different parts of the country, depending upon the general business tone in a particular region or locality. But today the tempo is swift throughout the country.

Seemingly, it is not the insurance requirements in connection with the huge defense contracts themselves that are directly producing the great activity. The work in this connection is limited to a few brokerage houses and to a large extent to the various factory associations. Until a few weeks ago field men and agents were commenting upon the fact that in most places there had been no greatly increased demand for insurance because there had been no substantial increase in inventories. Merchants were still buying closely and depending upon rapid deliveries to satisfy the needs of their customers. A large proportion of the merchants had funds to invest in inventories, but they were following a conservative policy.

Just within the past few weeks, however, the situation has changed. Now there is a feverish rush of merchants to stock up. They want to put their money out for refrigerators, radios, furniture, kitchen stoves and what not. Apparently whenever a merchant has a first hand experience with a shortage in any particular item, he becomes excited and immediately determines to start buying in carload lots. And one after another merchant these days is having

such a first hand experience. The result is that inventories are mounting rapidly.

It is always an increase in inventories that gives the fire insurance business its biggest lift and a good many observers attribute the present fast pace in the fire insurance business largely to this increase that is taking place in thousands of mercantile establishments throughout the country.

On all sides the report is that the demand for use and occupancy insurance is reaching boom proportions with agents finding difficulty in placing the business. Many of the companies are pursuing a cautious underwriting policy. They are regarding many U. & O. lines today as accommodation business and are seeing to it that the agents appreciate their U. & O. facilities.

### "Experience Credit Policies"

A field man in Atlanta suggests that when and if stock companies commence to issue participating contracts that they be referred to as "experience credit policies." He contributed this idea in response to a recent editorial soliciting ideas on how to characterize such contracts.

### Contest Prizes Go Up in Price

An interesting sidelight on the effect of the defense program is the notification given by Indemnity of North America to its agents of substantial price increases in a large number of items in its catalogue of articles that producers may receive as prizes on the basis of production records during the current campaign. Leather goods in particular are subject to a substantial price increase. Many guns are being discontinued. The Indemnity Company states that the changes are due to the defense program and agents are advised to order their prizes without delay since the company cannot guarantee even the new schedule of prices.

### N.F.P.A. Sets Up Endowment Fund

BOSTON—An endowment fund has been announced by the National Fire Protection Association, to be derived from gifts and bequests, to perpetuate the association program for reducing loss of life and property by fire.

The 45-year old technical and educational organization meets its annual operating budget of \$100,000 with membership dues, revenue from periodical and miscellaneous publications, and contributions to the support of its engineering service. This is the first time it has provided for an endowment fund. The fund will be administered by the board of directors of the association with the directors serving as trustees. Gifts or bequests may take the form of a memorial if the donor so desires.

Sponsors of the fund are past presidents and present officers. The latter are A. R. Small, Chicago, head of Underwriters Laboratories, president; D. J. Price, Washington, vice-president; R. E. Vernor, Western Actuarial Bureau, Chicago, vice-president; A. T. BeM, Atlantic City, chairman board of directors, and H. T. Freeman, Providence, Factory Mutuals, treasurer.

The association is a clearing house for information on fire waste, fire protection and fire prevention.

### Hall President of Northwestern F. & M.

C. W. Hall, formerly vice-president and treasurer of Northwestern Fire & Marine, has now been elected president, succeeding John H. Griffin, who becomes chairman. At the same time C. T. Jaffray, formerly chairman of the board, was named chairman of the finance committee and Edgar F. Zell, president of Jefferson Transportation Company, was elected a director, taking the place of F. A. Chamberlain, who died. Mr. Jaffray is president of the "Soo Line" Railroad.

Mr. Hall was at one time in the local agency business at Albert Lea, Minn. He later became interested in railroad and irrigation construction work and then in banking and insurance. He served as deputy insurance commissioner of Montana for three years. In 1930 he went with Northwestern Fire & Marine as assistant secretary and became vice-president and treasurer in 1933.

Mr. Griffin has been in the insurance business almost his entire business life. He was in field work and then organized a stock company at Albert Lea which was merged with Northwestern Fire & Marine in 1913. At that time he became president and has been in charge ever since. When he became president Northwestern F. & M. had capital of \$300,000 and a small surplus and operated in just a few states. Now it has capital of \$1,000,000, net surplus of more than \$1,000,000 and operates nation-wide.

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## EDITORIAL COMMENT

### Some Plain Speaking and Clear Thinking

AT THE midyear meeting of the National Association of Insurance Agents there was plainer speaking on problems affecting producers than at any previous meeting. What is a logical and scientific measure of an agent's compensation? There has never been a real study and exploration of this subject. We reach the point where one state by law prohibited a non-resident agent from receiving any remuneration on business he controlled in the state, it giving the commission entirely to the resident countersigning agent who probably rendered no service at all.

J. W. Barrett, retiring president Cleveland Insurance Board, made some relevant remarks at its annual meeting on countersignature. He decried the practice of handing resident agents a gratuity for signing a policy where no service is rendered. That has a deadening effect, in his estimation, and weakens the principles and position of the agency system.

There should be some method evolved which is fair to all. The resident agent might well be required to render sufficient service to justify his position.

Wade Fetzner, Jr., of Chicago, at the Oakland convention questioned the so-called "right" to a commission which many agents claim. After all, he said, the customer controls the business. He is the sole and final judge as to who shall handle his insurance. Therefore when a state in which he has property to be protected passes a law that requires that all or an unreasonable percentage of the commission shall go to a resident agent whom he does not know merely to sign policies the assured rebels at an injustice. Naturally he will not accede to such a plan and he seeks other means of handling his insurance. He claims the "right" to have his business placed by an office of his own choosing. The state is entitled to the tax on the premium and the business should be recorded as a transaction within its bounds but the assured looks to the office of his choice for service and responsibility. The counter-signature commission is solely for tax protective purposes but if the resident agent is called on for special service then he is entitled to greater remuneration. This subject is one that needs early treatment.

### School for Special Agents

THE ST. PAUL FIRE AND MARINE, realizing the need for a broader training for those entering field work, has instituted a school at its head office to prepare those in its organization that seem to have aptitudes and promise of being successful as special agents. The company appreciates the fact that it must be selective. After some experience in office work, the executives then have an opportunity of measuring the ability and characteristics of men.

The practice with companies has been to send only those who have had underwriting training into the field, and yet in other departments there is often found likely field material. The men may lack practical knowledge in underwriting, but with the St. Paul's plan students are shifted from one department to another so they obtain first hand knowledge of company procedure as a whole.

Half day sessions are held where instruction is given in field work by company officials. This intensive course lasts for upwards of six months. The men get an all around look into every department. When they are properly trained, then they are assigned to field work under the supervision of an experienced field man.

The Royal-L. & L. & G. groups have an organized educational department at their head office where young men are schooled for various activities. An educational director gives all his time to instruction and supervising this enterprise. Thus there is material on hand at all times capable of filling vacancies. There is no need to go outside. These scholars have the advantage of becoming well acquainted with the policy of the company and practice followed. A man does not have to occupy his time in getting his bearings.

### Progress in Merchandising

PRESIDENT T. J. FALVEY of the Massachusetts Bonding in its house organ deals in a philosophic way with the elements of progress. He takes a town

and makes a survey of the merchants, finding some that have gotten into a rut carrying the same old line for many years and displayed in the same old way

from year to year. Then a competitor comes in with new goods and modern display methods and carries something more than the old time stock-in-trade store. The old time people see their business drifting away.

Then he applies the same principle to insurance and taking it as a whole he said that much progress has been made in the wares that the casualty and surety companies are offering. Their coverages have been greatly improved and modernized from time to time. Rates are adjusted to meet changing conditions and experience. He said that the approach to workmen's compensa-

tion, liability and automobile fleet risks grows steadily more effective through the extension of engineering and inspection service, with the result that risks formerly too dangerous to touch are now serviced successfully.

President Falvey sees a distinct advantage, therefore, in agents and companies taking hold of a class of business or special risks to see whether they can be made insurable. In this way much is gained. The premium payers are impressed with improved services and coverages. The business itself feels the impact of progressive methods. It is work of this kind that is constructive.

## PERSONAL SIDE OF THE BUSINESS

W. F. Patton, assistant secretary of Automobile, has just completed 25 years with that company. He entered insurance with Pennsylvania Fire, and later was special agent of Continental and Fidelity-Phenix, covering New York and New Jersey. He joined Automobile as special agent, later becoming loss department manager. He was elected assistant secretary of Automobile in 1926 and of Standard in 1929. He is a member of the loss advisory committee of the Factory Insurance Association, the advisory committee of the Fire Companies Adjustment Bureau and the executive committee of the Eastern Loss Executives Conference.

The work of C. L. Barsotti as "master of ceremonies" at the special luncheon meeting of San Francisco Blue Goose, when a number of "old timers" received honorary life membership certificates, made the occasion one of the most impressive and amusing of any of the pond's luncheons in years. Mr. Barsotti, Pacific Coast manager of the Fire Association, was the first most loyal gander of the pond and knew most of those honored intimately. He played on their whims, habits and some old time activities and received some rapid repartee in return. The meeting was opened by four selections by the pond glee club and closed with an inspiring message on the meaning of Blue Goose membership by Jay W. Stevens, National Board.

Edwin H. Davis, Des Moines, Iowa state agent of Home of New York, was a visitor in Chicago, conferring with E. R. Hurd, general manager of the Home group there, before going on to the head office in New York. Mr. Davis, a confirmed golfer, took time out Saturday to have a game with J. H. Roberts, marine special agent of the Home group in Chicago.

A. F. LoPresti, Seattle special agent of Pacific National Fire, is confined to his home, seriously ill. He was treated for several days at a hospital and will be confined for some time, it is expected.

F. J. Alber, 80, Des Moines local agent, is on his honeymoon with his bride, the former Mrs. Blanche Bell of Greenfield, Ia. Mr. Alber at one time served as state auditor of Iowa.

W. H. Moore, Wichita, executive secretary of the National Association Independent Insurance Adjusters, was out

of his office a few days last week from a recurrence of an old ailment but is now back on the job, completing plans for the Dallas convention next week, but taking things a little easy for the present.

L. T. Stubbs, superintendent of agencies and Oklahoma state agent of the Central States Fire, who underwent a serious operation a month ago in a Wichita hospital, is recuperating rapidly and will be back to his desk later in the month.

T. G. Dahl, manager of the hail department of Great American, Chicago, is recuperating from an emergency operation for appendicitis which he underwent recently in Raleigh, N. C.

W. H. Witherspoon, special agent of Aetna Fire, achieved the almost unattainable when he made a hole in one on the York Temple Country Club links at Columbus, O. He was a member of a foursome with J. W. DeCessna, state agent of Royal; R. E. Zimmerman, special agent of Commercial Union, and R. H. Dunbar, special agent of Home.

## DEATHS

G. H. Tomlinson, 62, field auditor for the Indiana department, died from a heart attack in Pittsburgh, while riding in an automobile with his wife. As he collapsed, the car struck two parked automobiles. He had been with the department 15 years.

F. H. Dodge, 68, treasurer of American Mutual Fire of Louisville, died there.

Henry H. Lawton, Jr., 42, head of the Lawton-Hammitt agency of Newport, R. I., died following a long illness.

Robert L. Parsons, who retired as secretary of Northern of New York in 1939, died at his home in Escanaba, Mich., following five weeks illness. Mr. Parsons had been connected with Northern for more than 30 years, serving first in the mid-western field and later as an executive at the head office.

Thomas A. Fagan, 67, for 45 years a local agent in Racine, Wis., died from a heart attack several hours after being taken to the hospital. He was president of the General Insurance Agency. He started in insurance with David Janes & Co., later formed Thomas A. Fagan



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Co., Fagan, Fanning & Newell Co., Fagan, Newell & McQueen Co., and then the present agency.

**R. Landers Boon**, 59, joint manager of the London office of the American Foreign Insurance Association for a number of years, died May 4. He was 59 years old.

**E. A. Chavanne**, 63, Louisiana state agent for Buffalo, died at Touro Infirmary, New Orleans. He had been in ill health for some time. Mr. Chavanne was state agent for Royal for a number of years, leaving that company to join Public Fire. When Public passed from the picture he was appointed state agent by Buffalo. A native of Lake Charles, La., Mr. Chavanne was commander of cadets and instructor at Louisiana State University from 1898 to 1901. His body was sent to Hopkinsville, Ky. for burial.

**Mrs. Edith Lockett Lopez**, wife of J. E. Lopez, former president of the Continental, died at her home in New York City. A brother, Maj. H. W. Lockett, is research engineer of America Fore.

**Frank Marshall**, manager for many years of the E. S. Reid & Co. agency, Chatham, Va., died there. His agency has been taken over by the B. H. Grubb agency.

**Mrs. Florence D. Wade**, who had operated the Fred Wade agency at Saugatuck, Mich., for some years, died after an illness of a few months.

**Thomas I. McCormick**, former county treasurer of Leelanau county, who operated a local agency at Leland, Mich., died following a heart attack.

## Convention Dates

May 8-9, Alabama agents, Birmingham, Tutwiler hotel.

May 9, Pacific Board, Del Monte, Cal.

May 12, Vermont agents (mid-year), Burlington, Hotel Vermont.

May 12-13, New York Agents, Syracuse Hotel, Syracuse.

May 12-13, Indiana insurance school, Bloomington.

May 12-14, National Association Independent Adjusters, Dallas, Baker Hotel.

May 12-16, National Fire Protection Association, Toronto, Royal York Hotel.

May 13, Inland Marine Underwriters Association, Hershey, Pa., Hotel Hershey.

May 13, Association of Casualty & Surety Executives, New York, Waldorf-Astoria.

May 14, Insurance Div., Natl. Assn. of Credit Men, Jung Hotel, New Orleans.

May 14-15, Texas Association of Insurance Agents, Dallas, Adolphus Hotel.

May 15, Ohio agents (mid-year), Columbus, Neil House.

May 15, Insurance Advertising Conference, New York, Roosevelt Hotel.

May 15-16, Casualty Actuarial Society, Trinity College, Hartford, spring meeting.

May 16-17, Arkansas agents, Hot Springs, Arlington Hotel.

May 16-17, Oklahoma agents, Oklahoma City, Skirvin Hotel.

May 21, National Automobile Underwriters Association, New York, Waldorf-Astoria.

May 21-22, Bureau of Personal Accident & Health Und., Carmel Country Club, Carmel, N. Y.

May 22-24, Virginia Association of Insurance Agents, Roanoke, Roanoke Hotel.

May 22-23, Georgia Agents, Valdosta.

May 22-24, Mississippi agents, Edgewater Park.

May 27-28, National Board, New York, Waldorf-Astoria.

May 28-29, South Dakota Agents, Sioux Falls, Carpenter Hotel.

May 28-30, Industrial Insurers Conference, Richmond, John Marshall Hotel.

June 3-5, Health & Accident Underwriters Conference annual meeting, Edgewater Beach Hotel, Chicago.

June 3-4, Tennessee school, University of Tennessee, Knoxville.

June 3-4, Pennsylvania Insurance Days, Bethlehem, Bethlehem Hotel.

June 4-5, Missouri Fire Underwriters Association, Rockaway Beach, Hotel Taneycomb.

June 4-6, Western Insurance Bureau, Hot Springs, Va., Homestead hotel.

June 9-11, National Association of Insurance Commissioners, Detroit, Statler Hotel.

June 10-12, Kentucky field groups, Mammoth Cave.

June 5-6, South Carolina agents, Greenville, Pinsett Hotel.

June 12, Illinois Farm Insurance Agents Association, Peoria, Jefferson Hotel.

June 16-18, Southeastern Underwriters Assn., Greenbrier Hotel, White Sulphur Springs, W. Va.

June 18-20, Wisconsin Field Groups, Green Lake, Lawsonia Hotel.

June 19-20, Kentucky agents, Louisville, Brown Hotel.

June 16-20, Special Libraries Assn., Annual Meeting, Hartford.

June 19-20, Illinois Fire Underwriters Association, Lake Delavan, Wis., Lake Lawn Hotel.

June 19-20, Florida agents, Jacksonville, George Washington Hotel.

June 20-22, National Association of Insurance Women, Nashville, Andrew Jackson Hotel.

June 23, Minnesota Insurance Federation, St. Paul.

June 23-25, National A. & H. Association, Los Angeles, Biltmore Hotel.

June 25, Connecticut Association of Insurance Agents (mid-year), Groton, Griswold Hotel.

June 25-27, New England Associations of Insurance Agents, New London, Griswold Hotel.

June 26-27, Tennessee agents, Nashville.

June 26-28, Maryland Agents, mid-year, Ocean City.

June 28-30, International Federation of Commercial Travelers Insurance Organizations, Bretton Woods, N. H., Mt. Washington Hotel.

July 1-2, Indiana Fire Underwriters Association, Lake Wawasee, Spink-Wawasee hotel.

July 7-8, West Virginia Insurance Agents, White Sulphur Springs, Greenbrier Hotel.

July 8-9, West Virginia Fire Underwriters Association, White Sulphur Springs, Greenbrier Hotel.

July 28-30, Federation of Insurance Counsel, Saratoga Inn, N. Y.

Aug. 11-12, Washington Agents, Tacoma.

Aug. 14-15, Oregon Agents, Portland, Multnomah Hotel.

July 14-15, Alabama Agents' School, University of Ala.

Aug. 26-28, Blue Goose grand nest, Asheville, N. C.

Aug. 18-19, Montana Agents, Billings.

Sept. 3-5, International Association of Insurance Counsel, White Sulphur Springs, W. Va., Greenbrier hotel.

Sept. 8-9, Insurance Advertising Conference, Hershey, Pa., Hotel Hershey.

Sept. 8-10, International Claim Association, Atlantic City, Ambassador Hotel.

Sept. 9-10, Iowa Agents, Cedar Rapids, Montrose Hotel.

Sept. 11-12, Michigan Agents, Grand Rapids, Hotel Pantland.

Sept. 11-13, Minnesota agents, Rochester.

Sept. 16-17, Western Underwriters Association, White Sulphur Springs, W. Va., Greenbrier Hotel.

Sept. 25-26, Wisconsin Agents, Milwaukee, Hotel Schroeder.

Sept. 24-26, Kansas agents, Salina.

Oct. 6-9, Joint casualty convention, White Sulphur Springs, Greenbrier Hotel.

Oct. 13-16, National Association of Insurance Agents, Kansas City, Muehlebach Hotel.

Oct. 13-16, Missouri Association of Insurance Agents, Kansas City, in conjunction with National association.

Nov. 10-12, California Agents, Sacramento.

## Rollins-Burdick-Hunter

### Move Is Set for May 19

Rollins-Burdick-Hunter Co., Chicago, is moving May 19 to quarters on the sixteenth floor of the Continental Illinois Bank building, 231 South La Salle street. They will have a new telephone at this location, Andover 5000.

The new office will be larger by 2,000 feet than the old and will have increased window space. The passage of light and air through the room will be facilitated by the elimination of private offices for all except the directors of the company and even these will be but partially enclosed. The sections of the office will be divided only by low railings and it is expected that this arrangement will make the conduct of interdepartmental business easier.

The tone of the furnishings will be conservatively modern and the latest in indirect lighting, soundproofing and general office machines will be installed. The woodwork and dividing barriers are of the finest walnut. Comfortable seats will be provided in the reception alcove and a girl will be assigned whose sole duty is to take care of customers.

## Latta Purchases Cullom Agency

T. F. Latta, president of the Western Reserve Insurance Agency in Cleveland, has purchased the Charles B. Cullom Co. in that city and will operate it under the old trade name as a sub-agency of the Western Reserve. Mr. Latta is a native of Texas and had been engaged in the insurance business in that state for 17 years before going to Cleveland 10 years ago as state agent for Royal. In 1938 he took over the old Royal branch office and established the Western Reserve agency.

## CALLED TO SERVICE

Eleven members of the home office organization of Fire Association are now in active army or navy or marines service. Those in the marines: Lieut. G. B. Mattson, who was assistant manager of the Philadelphia brokerage department, now attached to the second battalion, 11th regiment at Guantanamo Bay, Cuba; A. Milton Groff and Robert Stroud, privates, in the same battalion and regiment; Lieut. James M. Moffatt, formerly special agent with headquarters in Philadelphia, who is at Fort Sill, Okla.; Edward Wiest, who is at Parris Island, S. C., and J. J. Maguire, who is with G battery, third battalion, 11th marines, Guantanamo Bay.

In the navy is Arthur Banker, who is at Cottage 49, U. S. Destroyer Base, San Diego.

In the army are Sergeant Alexander R. Willey, who is stationed at Fort Dix, N. J.; Lieut. J. M. Parker, who is at the Arlington cantonment, Arlington, Va.; John A. Dreyer, headquarters company, special troops, Indian-town Gap Military Reservation, Indian-town Gap, Pa.; Gilbert P. Pearson, headquarters detachment, 28th division, Indian-town Gap.

**Eugene Nickel**, Illinois special agent of Standard Accident, who is an ensign in the naval reserve, reported for active duty at Great Lakes Naval Training Station this week. He later expects to be transferred to Seattle.

**Alex Pawloski**, an endorsement clerk in the office of Fred J. Sauter in Chicago, was inducted into the army this week. At farewell ceremonies Monday, Mr. Pawloski's office associates presented him a portable radio.

**Norman W. Oppenheim**, veteran state agent in Illinois for Suburban Auto of Wheaton, Ill., was recently promoted from 1st lieutenant to captain in the quartermaster corps of the U. S. A. in the Chicago area. He was called into service Oct. 1 of last year. During his absence the agents in the territory are being served by his assistant, Einar W. Christianssen.

Read *Manufacturer & Insurance* by L. S. Myers to increase your sales. Send \$3 for copy to National Underwriter.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business May 5, 1941.

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	4.50*	115	119
Aetna Fire ....	10	1.80*	51	53
Aetna Life ....	10	1.40*	26 1/2	28
Amer. Alliance ..	10	1.20*	21	22
Amer. Equitable ..	5	1.00	18	19 1/2
Amer. Home ....	10	...	4 1/2	6 1/2
Amer. (N. J.) ...	2.50	.60*	12	13
Amer. Surety ...	25	2.50	46	48
Automobile ....	10	1.40*	34	36
Balt. Amer. ....	2.50	.40*	6 1/2	7 1/2
Bankers & Ship ..	25	5.00	90	94
Boston ....	100	21.00*	590	610
Camden Fire ....	5	1.00	19 1/2	21
Carolina ....	10	1.40*	27	29
Contl. Cas. ....	5	1.50*	29	30 1/2
Contl. N. Y. ....	2.50	2.00*	35 1/2	37
Fidelity-Phen. ...	2.50	2.00*	35 1/2	37
Fire Assn. ....	10	2.50*	60	62
Firemen's (N.J.) ..	5	.40	8 1/4	9 1/4
Franklin Fire ...	5	1.40*	29 1/2	31
Gen. Reinsur. ...	5	2.00	36	38
Georgia Home ...	10	1.20*	23	25
Glens Falls ....	5	1.60	40	42
Globe & Repub. ...	5	.50	9 1/2	10 1/2
Gt. Amer. Fire ...	5	1.20*	25	27
Gt. Amer. Ind. ...	1	.20	10	11
Halifax ....	10	1.00**	10	11 1/2
Hanover Fire ...	10	1.20	24	25 1/2
Hartford Fire ...	10	2.50*	84	87
Home Fire Sec. ...	10	...	1 1/2	2
Home (N. Y.) ...	5	1.60*	30	32
Ins. Co. of N. A. ..	10	3.00*	70	72
Maryland Cas. ...	1	...	2	3 1/2
Mass. Bonding ...	12.50	3.50	62	64
Mer. (N.Y.) Com. ...	5	2.00*	48	52
Natl. Cas. ....	10	1.00	24	26
Natl. Fire ....	10	2.00	56	58
Natl. Liberty ...	2	.40	7	8
Nat. Un. Fire ...	20	5.00*	144	148
New Amet. Cas. ...	2	.85	17	18
New Hampshire ...	10	1.80*	43	45
Northern (N.Y.) ..	12.50	5.00*	93	96
North River ...	2.50	1.00	24	25 1/2
Ohio Cas. ....	5	1.20*	35 1/2	37
Phoenix, Conn. ...	10	3.00*	83	87
Preferred Accl. ...	5	.80	14 1/2	15 1/2
Prov. Wash. ....	10	1.40*	33	35
St. Paul F. & M. ...	62.50	8.00	240	250
Security, Conn. ...	10	1.40	32 1/2	35
Sprgfd. F. & M. ...	25	4.75*	118	122
Standard Accl. ...	10	2.50	45 1/2	47
Travelers ....	100	16.00	395	410
U. S. Fire ....	4	2.00	45	47
U. S. F. & G. ...	2	1.00	21	22

\*Includes extra. \*\*Canadian funds.

**A. E. Smoll**, former president of the Wichita Association of Insurance Agents, has returned to his office following a week in Wesley Hospital.

The Pittsburg (Kan.) Association of Insurance Agents is cooperating in a meeting of agents from Bourbon, Cherokee and Crawford counties set for May 15 in Pittsburg under auspices of the B.D.O. committee.

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# The NATIONAL UNDERWRITER

May 8, 1941

CASUALTY AND SURETY SECTION

Page Twenty-one

## Calls Upon Stock Interests to Drop Isolationist Mien

**Stellwagen, in N. C. Talk, Says Business Should Get Out of Irons**

H. P. Stellwagen, executive vice-president of Indemnity of North America, called for eradication of what he termed the isolationist attitude in stock company ranks, the cutting out of red tape that prevents insurers from meeting every legitimate requirement of the customer and the repeal of legislation that stands in the way of providing full service. Mr. Stellwagen made this forceful, thoughtful commentary in addressing the convention of the North Carolina Association of Insurance Agents at Pinehurst. It will probably stand as the most thought-provoking casualty insurance message since the business was stirred a few months ago by the address of Jesse W. Randall, vice-president of Travelers, in addressing the Minnesota agents. His talk was entitled "Missing the Main Chance," and he set forth a number of situations in which he contends the stock insurance companies "missed the main chance."

Those situations included the relations with the war department on defense contract insurance; failure of the stock companies to prevent the loss of large risks to the non-stock market, and failing to read in the organization of buyers groups a change in public demand and requirements.

### Fight and Die for Principle

The refusal of the stock companies to act, to bring their practices into line with public requirements, he asserted, has come about because of the mistaken notion that changes in certain of the methods would be destructive of the principles of stock insurance. "In other words," he said, "we have clung to certain outmoded methods in the mistaken belief that they were of the very essence of stock insurance, which they most certainly are not, and have preferred to fight and die for principle." Because of the importance of Mr. Stellwagen's message, his manuscript is reproduced herewith almost in its entirety:

It must be admitted that the business of stock casualty insurance has changed its methods frequently during the past 20 years and that it has had the courage to experiment and pioneer. In the matter of rating systems, the automobile line, being the largest, has been most affected. The horse-power basis, the so-called symbol basis involving the car's physical properties, the merit rating plan, the safe driver reward plan, and the mileage and use plan have followed one another in fairly quick suc-

(CONTINUED ON PAGE 40)

## How to Get New Forms of Cover Discussed by Buyers

NEW YORK—How to get new forms of coverage desired by buyers became the main topic of discussion at the session on the future of rating methods at the American Management Association's insurance conference. Sanford B. Perkins, secretary of Travelers' who substituted for Vice-president J. W. Randall of Travelers, emphasized the importance of the buyer's power in getting what he wants in the way of insurance.

If the buyers want new forms of coverage and it is coverage which they should have, there is no reason why they cannot get it, he said. If state regulatory authorities object to innovations, they can usually be persuaded, for the insurance departments are usually very anxious to do what the public wants done. Similarly, legislatures can usually be persuaded to change the laws in the direction of benefiting the buyers.

Mr. Perkins emphasized that the demand must come from the buyer, otherwise the insurer trying an innovation runs into the objection that there is no demand for the proposed coverage. He also emphasized that when he was talking about buyers getting any coverage they wanted that it must be sound and not a crackpot idea, furthermore that the cost must be left to the insurers.

### Outlines Proposal

Outlining the plan for the separate rating of loss and expense elements described by Vice-president Randall some time ago, Mr. Perkins said that laws in most states would permit the issuance of such a plan, though unfortunately some insurance departments hold that any departure from the average in rating constitutes discrimination. He questioned whether the state authority really has any right to regulate any phase of rating other than the risk feature.

W. A. Sullivan, insurance manager Loose-Wiles Biscuit Company and vice-president in charge of the A.M.A. insurance division, who presided over the session, was particularly interested in ways by which the buyer could make their wishes known. Mr. Perkins suggested that the American Management Association insurance advisory council would be a good means of placing ideas for new forms of coverage before the companies. The company representatives on the committee, he pointed out, could contact the companies with whom the interested insurance managers carried their coverage. It might also be a good idea he said, to contact the agent or broker taking care of the risk.

### Cites Comprehensive Policy

P. D. Betterley, insurance consultant, cited the comprehensive liability policy as evidence of what can be done by the buyers' actions even though it takes a considerable time. He pointed out however, that many buyers are really not aware of what they need. He mentioned a case where the insured had an exposure which he did not even think to tell his broker about and consequently faced quite a serious loss. W. F. Lund, insurance manager United States Rubber, also praised the comprehensive policy as one of the best things ever done. He said that for a large corporation with hundreds of locations the com-

prehensive policy had eliminated an endless amount of checking, for situations change almost daily.

Mr. Perkins brought out the point that the value of the liability policy, for example, varies according to the type and circumstances of the buyer. For example, for the small insured the liability feature is the most important for it may save him from being wiped out financially. On the other hand to a big insured the financial reimbursement may be secondary but he needs the safety and prevention service and is willing to pay for it. He emphasized that a desirable rating plan should permit each type of buyer to purchase the type of indemnity or service that he needs and to pay the proper price for it.

J. B. Miller assistant secretary National Association of Insurance Agents, pledged the cooperation of that organization in any move for developing new types of coverage.

### Question and Answer Session

At the general question and answer session there were several questions on hired-car liability. J. C. L. Bowman, assistant vice-president and chief underwrite Liberty Mutual, acting as technical adviser to the session, said he felt the difference between hired car and machines used by independent contractors is largely in the degree of control exercised by the principal.

One question was on the effect of the insured's name being on the independent contractor's truck. Mr. Bowen said it would not invalidate the independent-contractor relationship but said it would certainly incite more suits and should warrant the contractor's being fully insured.

George Rogers, insurance manager Robert Gair Company, who conducted the quiz session, said one objection to the inclusion of the insured in the contractor's policy as someone suggested, was that a truck might damage the insured's property and inclusion would

(CONTINUED ON PAGE 32)

## New York A. & H. Club Holds Annual Producers Banquet

NEW YORK—The Accident & Health Club of New York held its annual producers banquet Tuesday evening, officially closing Accident & Health Week and the production month that followed. In the absence of Col. Joseph A. Baer, U. S. army chief of staff, second corps area, who was slated to talk, his assistant, Col. W. F. Rehm, spoke on civil defense and its importance in relation to the national defense program. Carl Hendrickson, director of education National Association of Credit Men, spoke on "Insurance and Credit Under War Conditions." The theme of the meeting was national defense.

Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, Chicago, and Holgar J. Johnson, president Life Insurance Institute, spoke briefly. C. S. Ashley, Jr., vice-president Maryland Casualty, was toastmaster, and R. W. Pope, Employers Liability, presided.

## War Department Adopts Cost Plus Insurance Plan

**Supplants Bid Basis—Insurer Reimbursed for Losses Plus Fixed Charges**

The war department announced this week the adoption of a new insurance rating plan for use in connection with the army's "cost-plus-a-fixed-fee" contracts.

The cost-plus-a-fixed-fee contract provides that the cost of necessary forms of insurance is a part of the expense for which the government is obligated. Formerly, the standard forms of insurance were used and were purchased on a bid basis. The new plan, known as the "war department insurance rating plan," contemplates the payment of premiums for insurance on the basis of the actual loss experience developed by each risk. In addition, there is provided a fixed charge for management, engineering, medical and claim facilities.

The plan will be used in connection with the purchase of workmen's compensation, general public liability, and automobile liability and property damage insurance, and will permit the contractor to select the company with which he wishes to insure and a person who will act as his insurance adviser. It will be employed by all supply arms and services of the war department and will apply to all new contracts as well as current contracts not too far advanced to render changes in insurance arrangements impracticable.

The plan has been studied and approved by the war department advisory committee on insurance composed of George S. Van Schaick, vice-president New York Life and former New York superintendent of insurance, chairman; Dr. S. S. Huebner, professor of insurance, University of Pennsylvania; George K. Gardner, professor of insurance law, Harvard University law school, and Ralph H. Blanchard, professor of insurance, Columbia University.

### E. C. Stone on "Ad" Men's Card

NEW YORK—Edward C. Stone, United States general manager and attorney for Employers Liability, will be the luncheon speaker at the spring meeting of the Insurance Advertising Conference here May 15. Mr. Stone will discuss the public relations problem arising from national defense.

### Can't Withdraw Ohio Deposit

Attorney-General Herbert of Ohio, holds Ohio laws do not permit a liability-writing company incorporated under the laws of a foreign country to withdraw its deposit of \$30,000 with the Ohio department and furnish a certificate of deposit of \$100,000 with the department of the state through which it is entered.

# N. Y. Department Auto Record

The accompany tables have been compiled by the New York insurance department from casualty experience exhibits filed by companies licensed to do business in that state. These tables show countrywide earned premiums with incurred loss and expense ratios, and in-

clude an analysis of incurred expense ratios.

Incurred losses are based upon case estimate reserves and exclude allocated claim expense. Expense ratios include both allocated and unallocated claim expense.

The aggregate results for the last five years are shown. Any analysis of such results, the department observes, should take into consideration the fact that the figures represent a consolidated experience on private passenger, commercial and public vehicles combined and

that the results are affected by other factors such as changes in rate levels from year to year. The increased loss ratios on property damage coverages which appeared in 1939 have become more pronounced in 1940, bearing out common observation.

## STOCK COMPANIES, AUTOMOBILE BODILY INJURY LIABILITY

	Underwriting Ratios				Analysis of Incurred Expense Ratios					Taxes & Fees	Federal Inc. Tax
	Premiums Earned	Loss	Expense	Net Gain	Claim Adjustment	Acquisition & Field Sup.	General Administration	Inspection & Bureaus			
Accident & Casualty.....	\$ 1,321,386	55.7	57.2	-22.9	9.9	31.6	16.8	4.7	4.3	...	...
Aetna Casualty.....	9,632,529	43.9	53.7	2.4	11.3	27.6	10.3	.8	3.3	...	...
Aetna Life.....	189,811	-7.7	31.7	76.0	27.9	-6	4.6	-3	...	...	...
Allstate.....	2,499,431	39.3	47.5	13.3	11.5	8.2	18.8	1.0	2.5	5.4	...
American Automobile.....	10,257,214	44.0	47.3	8.8	11.3	27.9	3.7	.4	3.9	1.0	...
American Employers.....	2,182,447	58.0	45.8	.8	8.4	26.7	7.9	.5	2.3	...	...
American Fidelity & Casualty.....	3,095,616	55.5	38.2	6.3	10.1	15.7	4.3	.5	2.5	1.1	...
American Motorists.....	3,417,466	50.9	37.5	11.6	10.9	19.2	4.4	.9	2.1	...	...
American Policyholders.....	791,685	55.5	27.3	17.2	17.6	-9.4	11.7	2.4	3.0	2.0	...
American Surety.....	1,056,025	45.6	62.4	-8.0	13.0	23.3	14.5	1.8	3.8	...	...
Arex Indemnity.....	41,403	30.8	38.5	30.7	13.1	10.3	8.2	.4	5.6	.9	...
Associated Indemnity.....	454,300	34.1	45.9	20.0	4.9	26.6	7.1	2.7	3.3	1.4	...
Bankers Indemnity.....	1,369,046	46.2	51.8	2.0	11.1	25.5	10.9	1.5	2.8	...	...
Car & General.....	2,032,339	62.9	48.0	-10.9	11.1	25.5	7.3	1.8	1.8	...	...
Central Surety.....	2,028,910	52.4	41.8	5.8	10.9	21.0	4.7	1.3	2.9	1.0	...
Century Indemnity.....	2,340,466	54.3	45.4	.3	9.7	25.4	5.4	1.3	2.3	1.4	...
Citizens Casualty.....	659,275	49.3	44.5	6.3	15.1	11.9	13.7	.8	3.0	...	...
Columbia Casualty.....	843,574	47.1	54.5	-1.6	12.4	25.1	17.9	1.7	3.4	...	...
Commercial Casualty.....	2,718,615	48.3	55.3	-3.6	12.9	27.4	10.8	1.1	3.1	...	...
Continental Casualty.....	5,256,058	51.1	47.8	1.1	12.0	25.8	8.4	1.9	2.7	...	...
Eagle Indemnity.....	1,434,367	60.4	44.0	-4.4	10.5	23.3	5.3	2.0	2.8	.1	...
Emmco Casualty.....	148,476	32.8	45.4	21.8	.6	38.2	1.3	.1	4.3	.8	...
Employers Liability.....	7,017,159	44.3	46.8	9.9	10.1	23.5	7.3	.6	2.8	1.5	...
Fidelity & Casualty.....	5,268,446	39.0	53.3	7.7	12.3	24.1	7.8	1.9	2.8	2.4	...
Fireman's Fund Indemnity.....	1,549,574	35.5	54.6	9.9	12.1	26.6	10.7	1.8	3.4	...	...
General Accident.....	8,265,274	34.0	48.5	17.5	12.3	23.9	4.4	.8	2.6	4.6	...
General Casualty, Wash.....	1,880,419	41.9	55.4	2.7	9.4	33.3	6.3	.3	2.6	3.7	...
General Transportation Casualty.....	1,355,086	59.3	28.2	12.5	21.0	.1	3.2	...	2.7	1.0	...
Glens Falls Indemnity.....	1,941,018	44.2	55.1	.7	11.3	29.7	9.4	1.5	3.1	...	...
Globe Indemnity.....	5,323,107	49.9	44.9	5.3	10.6	21.9	5.9	2.9	2.5	1.2	...
Great American Indemnity.....	2,968,991	46.5	48.9	4.6	10.1	22.2	10.3	2.7	2.9	.7	...
Hardware Indemnity.....	193,972	40.9	23.1	36.0	6.4	-6.5	11.3	2.4	6.5	...	...
Hartford Accident.....	10,076,951	42.8	47.4	9.8	9.3	23.8	8.3	1.4	2.8	1.8	...
Home Indemnity.....	1,929,683	47.4	46.7	5.9	11.4	26.3	2.6	1.1	3.7	1.7	...
Indemnity of North America.....	3,493,007	42.9	54.9	2.2	11.9	29.0	8.8	1.1	3.5	.6	...
Keystone Automobile Club.....	1,125,571	40.1	44.1	15.8	13.6	18.8	8.7	.3	1.9	.7	...
London Guarantee.....	1,576,508	44.5	48.8	6.7	13.7	22.3	8.9	1.3	3.1	...	...
London & Lancashire Indemnity.....	1,048,895	45.7	53.8	.5	10.7	24.7	14.2	1.4	2.7	.1	...
Manufacturers Casualty.....	2,035,470	42.3	46.2	11.5	10.1	24.8	7.6	.5	2.6	.6	...
Maryland Casualty.....	5,343,740	43.1	49.8	7.1	13.8	26.0	6.1	1.3	3.3	-6	...
Massachusetts Bonding.....	3,591,609	54.4	47.9	-2.3	11.3	22.2	10.2	1.6	3.5	...	...
Merchants Indemnity.....	638,645	34.5	52.8	13.7	11.3	25.3	9.2	.2	3.7	3.2	...
Metropolitan Casualty.....	3,118,088	42.7	52.6	4.7	11.4	26.4	10.5	1.0	3.2	...	...
National Casualty.....	390,170	53.8	52.6	-6.4	12.3	23.3	6.0	2.5	3.6	...	...
New Amsterdam Casualty.....	3,149,458	43.3	50.9	5.8	11.4	24.4	9.0	1.5	3.1	1.5	...
New England Casualty.....	2,021	47.6	727.0	-674.6	75.2	156.0	438.1	39.8	17.8	...	...
New York Casualty.....	659,745	10.9	55.1	-1.0	14.7	26.1	9.4	1.3	3.0	...	...
Norwich Union Indemnity.....	87,241	10.1	56.1	23.8	14.7	27.4	14.4	.8	5.1	...	...
Occidental Indemnity.....	533,042	33.0	53.7	3.3	11.8	30.9	15.4	1.9	2.7	...	...
Ocean Accident.....	1,629,404	43.7	53.2	3.1	13.3	24.3	19.9	1.4	3.3	...	...
Peerless Casualty.....	275,580	37.8	42.6	19.6	4.0	23.8	10.4	.1	4.3	...	...
Phoenix Indemnity.....	1,033,606	45.4	48.0	6.6	10.3	25.3	7.1	1.2	3.0	1.1	...
Preferred Accident.....	2,792,456	38.1	53.6	8.3	14.6	26.3	6.5	1.8	3.4	...	...
Protective Indemnity.....	371,744	48.5	42.3	4.2	11.7	26.1	5.7	3.2	3.3	.5	...
Royal Indemnity.....	4,005,293	50.1	44.7	5.3	10.7	22.1	6.3	2.1	2.4	1.1	...
St. Paul Mercury Indemnity.....	2,101,264	42.7	54.7	2.6	13.7	26.3	7.8	2.7	3.6	.6	...
Standard Accident.....	3,596,316	43.9	54.7	1.4	15.7	25.6	8.7	1.5	3.0	.3	...
Standard Surety & Casualty.....	1,225,213	47.2	53.9	-1.1	13.1	39.0	6.3	2.4	3.1	...	...
Sun Indemnity.....	1,013,439	53.8	47.7	-1.6	14.4	22.3	7.2	1.1	2.7	...	...
Travelers Indemnity.....	1,513,210	47.5	56.0	-3.5	9.7	29.4	11.7	1.6	3.6	...	...
Travelers.....	14,507,783	41.8	48.3	9.4	11.0	24.6	8.5	1.0	3.1	...	...
United States Casualty.....	1,570,681	43.1	46.9	10.0	12.3	23.8	6.6	1.0	2.7	.5	...
U. S. Fidelity & Guaranty.....	6,480,457	48.0	50.0	1.5	13.3	24.8	7.8	1.5	3.1	.1	...
United States Guarantee.....	1,665,401	41.5	50.4	8.1	8.8	33.7	10.3	1.0	2.8	3.9	...
Universal Indemnity.....	150,117	19.5	39.7	40.8	8.7	13.5	10.6	2.0	2.7	2.3	...
Yorkshire Indemnity.....	273,617	50.6	53.7	-4.3	11.8	25.8	10.0	1.9	3.0	1.2	...
Zurich.....	3,879,539	42.8	52.7	4.5	13.8	25.9	8.0	.5	3.3	1.3	...
Total—Stock Companies, 1936.....	\$154,726,999	50.2	47.8	2.0	12.3	24.2	7.1	1.1	3.1	...	...
Total—Stock Companies, 1937.....	171,610,930	47.5	47.4	5.1	11.4	24.3	7.0	1.2	3.5	...	...
Total—Stock Companies, 1938.....	171,216,340	42.1	48.2	9.7	11.8	26.6	7.4	1.2	4.2	...	...
Total—Stock Companies, 1939.....	171,949,001	43.4	48.7	7.9	11.8	23.5	7.9	1.4	3.0	1.1	...
Total—Stock Companies, 1940.....	176,428,453	45.0	49.1	5.9	11.6	24.4	7.8	1.4	3.0	.9	...

## MUTUAL COMPANIES, AUTOMOBILE BODILY INJURY LIABILITY

Amalgamated Mutual Automobile.....	\$ 294,604	40.4	38.6	21.0	15.5	...	18.5	1.0	3.6	...	...
American Mutual Liability.....	3,171,790	47.6	33.5	18.9	9.1	14.7	7.3	.6	1.7	...	...
Butchers Mutual Casualty.....	192,422	58.1	51.4	-9.5	11.3	17.8	12.0	7.0	3.3	...	...
Electric Mutual Liability.....	59,523	13.5	20.8	66.7	18.8	...	...	.3	.8	...	...
Empire Mutual Casualty.....	490,641	47.1	44.7	8.2	26.7	6.3	8.8	.3	3.7	...	...
Employers Mutual Liability.....	1,365,787	53.8	23.6	22.6	10.2	8.6	2.0	1.4	1.4	...	...
Exchange Mutual Indemnity.....	274,486	21.4	31.8	46.8	6.3	23.4	.2	.2	1.7	...	...
Factory Mutual Liability.....	2,145,355	22.9	30.5	46.6	8.7	...	19.6	.3	1.8	.1	...
Farm Bureau Mutual Automobile, O.....	3,112,895	52.2	36.2	11.6	10.5	13.5	9.3	...	2.3	...	...
Hardware Mutual Casualty.....	5,094,028	39.9	34.3	25.8	10.9	14.1	5.8	1.4	2.1	...	...
Interboro Mutual Indemnity.....	707,329	19.7	25.6	54.7	11.3	4.6	6.1	1.7	1.9	...	...
Jamestown Mutual.....	641,963	44.7	44.0	11.3	18.9	14.2	8.0	.8	2.1	...	...
Liberty Mutual.....	9,896,247	54.9	24.8	20.3	8.8	7.6	5.5	1.0	1.9	...	...
Lumber Mutual Casualty, N. Y.....	168,169	27.7	34.9	37.4	7.8	9.8	12.5	2.5	2.3	...	...
Lumbermens Mutual Casualty, Ill.....	12,467,693	42.9	37.3	19.8	10.3	18.0	5.7	1.3	2.0	...	...
Manhattan Mutual Automobile.....	1,485,525	37.9	47.0	15.1	17.0	10.4	14.0	3.0	2.6	...	...
Merchants Mutual Casualty.....	2,534,470	51.6	36.8	11.6	13.6	11.6	7.8	1.4	2.4	...	...
Mutual Casualty.....	1,660	-82.3	113.7	68.5	35.5	11.5	58.5	.4	7.8	...	...
National Grange Mutual Liability.....	1,153,905	40.6	34.7	24.7	11.3	11.6	9.6	.3	1.9	...	...
New York Printers & Bookbinders.....	6,858	31.3	22.3	46.4	5.0	4.8	9.3	1.2	2.0	...	...
Public Service Mutual.....	687,825	47.8	37.5	14.7	10.5	10.1	11.6	.8	4.5	...	...
Security Mutual Casualty.....	347,145	42.3	27.2	30.5	8.9	13.2	3.6	.3	1.3	...	...
Utica Mutual.....	2,468,268	35.0	44.4	20.6	16.1	19.6	6.2	.4	2.1	...	...
Total—Mut. Companies, 1936.....	\$37,065,535	47.5	33.1	19.4	10.5	12.7	7.0	.9	2.0	...	...
Total—Mut. Companies, 1937.....	40,371,932	46.2	32.4	21.4	10.8	12.3	6.5	.8	2.1	...	...
Total—Mut. Companies, 1938.....	45,868,376	43.9	32.3	23.8	10.4	12.3	6.4	1.0	2.3	...	...
Total—Mut. Companies, 1939.....	47,438,160	44.4	32.2	23.4	10.9	12.4	6.6	1.0	2.2	...	...
Total—Mut. Companies, 1940.....	48,708,588	44.8	33.9	21.3	10.9	12.7	7.2	1.1	2.0	...	...

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## Bureau Permits Including Named Insured in Rider

### New Auto Medical Payments Development—Rate Basis Is Recast

The rate setup for the automobile medical payments endorsement has been revised by the National Bureau of Casualty & Surety Underwriters in the interest of simplicity, and at the same time the bureau made available coverage including the named assured in states in which it is permissible. Some of the independent companies have been including the named insured. The actual rate changes involved are negligible in amount, but the prices are rounded off to even amounts under the new scheme.

Heretofore the rate for the endorsement has been a percentage of the automobile P.L. rate. Now a new premium table is established setting forth flat charges for the various limits of liability and for the different variations in type of endorsement.

There are four variations in type of coverage. In the first place, there is the endorsement, excluding the named insured, and not including a covenant not to sue. Then there is the endorsement including the named insured and excluding the covenant not to sue. Then there is the endorsement with and without the named insured and including the covenant not to sue. In some states it is not permissible to sell the endorsement including the covenant not to sue and in some states it is not permissible to include the named insured. In Massachusetts, New Hampshire, New Jersey, New York and Pennsylvania it is not permissible to use the automobile medical payments coverage in any form.

### Rate Examples Given

By far the most popular form of medical payments coverage is that which does not contain a covenant not to sue. For this type of cover, not including the named assured, where the automobile P.L. premium is \$20 or less, the rate is \$4 where the limit of liability under the endorsement is \$250; it is \$5 for \$500 liability; \$6 for \$750, \$7 for \$1,000 and \$8 for \$2,000.

There are eight rate brackets depending on the size of the auto P.L. premium. One is where the auto P.L. premium is \$20 or less, then \$20 to \$25, \$25 to \$30, \$30 to \$35, \$35 to \$40, \$40 to \$45, \$45 to \$50 and \$50 and more. Where the auto P.L. premium is between \$30 and \$35, the rate for the endorsement (excluding covenant not to sue and not including named assured), is \$6.50, \$8.50, \$9.50, \$10.50 and \$12, depending on the limit of liability.

Including the named assured, the rates for the endorsement where the auto P.L. premium is \$20 or less are \$5, \$6, \$7, \$8 and \$9. Where the auto P.L. premium is between \$30 and \$35, the rate is \$9, \$10.50, \$12, \$13.50 and \$15. The rates for the rider containing the covenant not to sue are less.

The sale of the endorsement has been increasing right along, as one agent after another finds that it has an appeal and that when it is attached to the policy upon renewal and a note of explanation is sent to the policyholder, it usually sticks. With the new rate setup, which not only is intended to make the computation of premium easier for the agent, but also serves to bring fresh emphasis on the cover,

(CONTINUED ON PAGE 32)

## Securities Blanket Bond Forms Revised by Association

NEW YORK—The Surety Association of America has revised the securities blanket bonds, replacing Forms No. 3 and 4 with new contracts, called No. 3 Revised and No. 4 Revised. Rates are unchanged for the most part, but coverage has been extended in a number of respects.

The number of lettered subdivisions in Form No. 3 Revised enumerating instruments covered has been reduced from 14 to 13, certificates of deposit now being covered under the first group and promissory notes being listed in subdivision M.

### More Items Covered

Under the first group, the number of additional items covered includes bonds similar in form to corporation bonds, pass books, withdrawal orders and receipts pledged as collateral, tax sale certificates, transfers of tax liens, life insurance policies, participation certificates in any property, the last class being broad enough to include items such as land trust certificates, receivers certificates, certificates of claim against insolvent financial institutions and certificates of beneficial interest. Deeds of trust and bankers acceptances have been added to the second group. Coverage on promissory notes includes forgery of the signature of the maker.

Insuring clause C, which covers the assured's liability from guaranteeing instruments and witnessing signatures, now applies even if the act is beyond the assured's corporate powers and covers liability imposed on the assured by the regulations of any stock exchange, whether or not the assured is a member. The restoration clause now provides that payment of a loss under any division or subdivision shall call for reduction of the amount of insurance only on that section. In case the company pays a loss after termination and refund of premium, the new form provides that the assured shall repay a pro rata premium on the amount paid.

### Form No. 4 Rearranged

In Form No. 4 Revised, the number of insuring clauses has been reduced to three, with two riders. Clause A, as before, covers the assured against loss

## H. & A. Conference Program Announced

Notable Speakers Are to Be Heard at Annual Meet in Chicago June 3-5

What is regarded by conference officials as one of the best programs ever prepared has been arranged by G. A. L'Estrange, Wisconsin National Life, convention chairman, for the 40th annual meeting of the Health & Accident Underwriters, to be held at the Edgewater Beach Hotel, Chicago, June 3-5. A number of notable outside speakers will talk on current topics of special interest to accident and health men, in addition to a notable representation of men in the business.

The conference golf tournament will be held Monday, June 2, the day before the business sessions start, at Medinah Country Club. A dinner will be held at the club in the evening, to be attended by the ladies and non-golfers as well as those who will participate in the tournament.

### Speakers at Opening Session

At the opening session, Tuesday, June 3, Col. C. B. Robbins, manager American Life Convention, will give the address of welcome and Paul Clement, secretary Minnesota Commercial Men's,

(CONTINUED ON PAGE 32)

while acting as registrar or transfer agent for others. The new clause B combines the old clauses C and E and covers transfers of the assured's own stock and other instruments. When coverage under clause A is purchased, clause B protection is now included without additional charge, while rates are provided for assured who do not act as registrar or transfer agent for others, but who wish protection on their own issues. Clause C is the same as the old clause B, covering redemption, retirement and cancellation of the assured's stock.

Rider D replaces the old clause D and covers issuance of certificates of deposit, receipts and similar instruments by the assured while acting as or for a committee of stockholders or bondholders. Rider E protects the assured while acting for others in the redemption, retirement or cancellation of securities.

## Present Diemand Trophy to Holmes



E. Fletcher Holmes, manager at Los Angeles for Indemnity of North America, was this week presented with the John A. Diemand Trophy by President John A. Diemand. Present also from Los Angeles were F. F. Owen and R. A. Mitchell. Their visit to the head office, where they attended a meeting of the North America managers, was the occasion for the presentation. The Diemand Trophy was won the first year by Cleveland; second by Philadelphia; third by Boston, and fourth by Chicago.

All-around excellence of operation continues to be the basis on which the award is made. Factors of consideration are service to agents, loss and ex-

pense ratios and increase in business.

Mr. Holmes, a native of Arkansas, was originally a fire field man in his own state. He entered the casualty business in the early 1920's in the south. Later he became manager of Indemnity of North America soon after its organization.

The trophy is not to be permanently awarded to any office until it has been won three times.

The group above, left to right, includes: C. S. Roberts, assistant secretary; Mr. Holmes, Benjamin Rush, Jr., vice-president; Mr. Diemand; F. F. Owen, R. A. Mitchell, H. P. Stellwagen, executive vice-president.

## Lehman Signs Page-Anderson Bill in New York

### Auto Measure Which May Prove Important Milestone, Effective Jan. 1

NEW YORK—The Page-Anderson bill goes into effect in New York next Jan. 1, having been signed by Governor Lehman. This is the measure that is patterned after the New Hampshire type of automobile financial responsibility law and was intensively promoted by the New York Board of Trade, the New York farm organizations and insurance interests as an alternative to compulsory automobile insurance which was sought by the insurance department and the commissioner of motor vehicles.

Insurance people generally feel that this step in New York may prove to be a milestone in the history of automobile insurance and in the broad problem of compensating automobile accident victims.

The Association of Casualty & Surety Executives has given assurance to the authorities that a voluntary assigned risk plan will be set up to become operative by the time the law goes into effect. The motor vehicle commissioner said that if this is not done, legislation will be sought to create a statutory plan for handling undesirable risks.

Under the Page-Anderson bill, uninsured motor vehicle owners will be required to show financial responsibility or forfeit their operators licenses and registration plates in the event they are involved in an accident resulting in property damage of \$25 or more or in any kind of personal injury.

### Governor's Statement

Governor Lehman in signing the bill, issued a statement to the effect that for a long time he has recognized that the protection of innocent victims of automobile accidents from serious financial loss is one of the important practical needs of the state.

"This bill does not introduce a full-fledged system of compulsory automobile insurance, but it does go a considerable way in that direction. It will make it unwise for anyone to drive without insurance and, after one accident serious enough to be reported, will make it impossible for anyone to continue driving until he has met whatever liability he may have for the accident and taken out insurance or given other proof of financial responsibility for the future.

"This bill is by no means perfect. It has defects which will require correction at the next session of the legislature. On the whole, however, I think that the bill is a step in the right direction and definitely in the protection of the people of the state.

"The bill carries an appropriation of \$250,000 for administration. The department of taxation and finance... has pointed out that this amount is insufficient and that additional appropriations will have to be made in order to permit efficient and orderly administration. I concur in this view."

The law in its present form is not wholly satisfactory either to the motor vehicle bureau or to the insurance interests, and, it is understood, the governor agreed to sign it only upon being assured that amendments will be passed at the next session of the legislature.

(CONTINUED ON PAGE 36)

## Live Topics for Actuaries Meeting

Problems of Defense Contracts; Idea of No Limit Liability Policies

NEW YORK—As announced by Secretary Richard Fondiller the program for the spring meeting of the Casualty Actuarial Society, at Trinity College, Hartford, May 16, will include the address by President S. D. Pinney, Travelers, who will review "The Expense Problem in Casualty Insurance"; an address by Commissioner Blackall, of Connecticut, and papers by A. W. Whitney, W. R. Williamson and T. F. Tarbell, whose respective subjects will be: "Concerning the Relation between the Cost of Traffic Accidents and the Conditions in a Community"; "Employment and Unemployment," and "Casualty Insurance Accounting and the Annual Statement Blank."

Informal discussion will be held on these subjects: "As respects the liability line, why not issue unlimited coverage as standard coverage, subject to limitation by endorsement in exceptional cases?" "Insurance problems and rate-making procedure in connection with United States government defense projects." "What steps should be taken by American casualty companies to protect themselves and their policyholders against the possibility that developments in the war may make it inadvisable or impractical to secure adequate excess limits and special risk protection in foreign markets?"

## Reception Held in General Accident's New N. Y. Office

NEW YORK—The New York City branch office of General Accident held a reception in its new offices at 99 John street. John H. Grady, United States manager; A. W. Wilsterman, assistant United States manager; A. B. Burston, comptroller; H. B. Clark, superintendent of burglary lines, and John Orr, superintendent of compensation and liability, were among those from the home office attending.

The ground floor office houses the executive, new business, renewal, endorsement and production departments and has been planned to give first consideration to the accessibility of all key underwriters to agents and brokers. The legal and claims departments, accounts and collection, payroll auditing, safety and inspection, stenographic and policywriting departments, and file and supply rooms are on the 11th floor. William Bernhard is manager of the New York branch.

## Columbus A. & H. Men Elect

COLUMBUS, O.—The Columbus Accident & Health Association held its annual meeting Monday and elected these officers: President, S. Glen Moyer, manager North American Accident; vice-president, E. W. Welton, state manager Business Men's Assurance; secretary-treasurer, J. C. Talbott, manager Continental Casualty; executive committee, Al Brasseur, general agent Monarch Life, and D. L. Woltz, Connecticut General Life.

Paul Smith, manager New England Mutual Life, was the guest speaker. T. T. McClintock, manager accident and health department of Ohio State Life, is the retiring president.

## Entertain Milwaukeeans Tuesday

The meeting of the Chicago Accident & Health Association, Tuesday, May 13, at which the members of the Milwaukee association will be guests, will be held at the Edgewater Beach hotel instead of at the Morrison, which has been the place of meeting. The Milwaukee people will present the program.

## Rise in Boiler, Machinery U. & O.

First Reflection of Replacement Difficulties Under Defense Program

The increase in boiler and machinery U. & O. rates which has just gone into effect throughout the country has significance as the first reflection of the defense situation upon such lines. It is notable also because of the stipulation for the first time in history that the new rates be applied to endorsements to existing policies as well as to new policies.

The new rates are effective all down the line and the increases range from about 1 percent on certain kinds of boilers to almost 50 percent on certain types of machinery. The primary factor behind the increase is the growing difficulty of obtaining replacements in the face of the priority orders for defense which swamp practically every machinery manufacturing plant in the country. A secondary reason is the increase in the risk of breakdown as the result of working machines longer and harder than before. All the heavy increases are found in machinery U. & O., for often boiler repairs can be handled by local steamfitters, and locomotives or other steam engines can be employed to do the job in the interim.

Making the higher rates applicable to any endorsements to policies written prior to the date of effect as well as new policies is a move which will considerably curtail the practice of securing broadened coverage by endorsements to old policies at the old cheaper rates rather than taking out new policies under the new higher rates. Thus action is taken on a move that has been held desirable by the companies for many years.

As one executive said, these rate increases might well have gone into effect several months ago. And there is every reason to believe that further increases may be expected.

## Allstate Vacation Policy Strikes Snag in Nebraska

LINCOLN, NEB.—The scheme of Allstate to issue a 30-day automobile policy, primarily for vacationers that do not carry insurance regularly, struck a snag in Nebraska, because the Allstate policy is non-cancellable during the 30 days and the Nebraska statute prohibits the sale of policies that may not be canceled during their term. Attorney John S. Logan of the insurance department gave an informal ruling to this effect. Mr. Logan indicated that he felt the idea is sound, but the technicality of the law exists.

Allstate decided to make the policies non-cancellable, because the term was so short and, with a five-day notice of cancellation provision, it would be difficult to get off a risk in timely fashion anyway. Allstate is not particularly interested in the revenue to be derived from sale of these 30-day policies as such, but it does feel that many of those who buy such temporary protection, may become converted to the idea of carrying automobile insurance regularly.

## A. L. Carr Is Added to Insurance Credit Program

An additional speaker on the program of the insurance group of the National Association of Credit Men at New Orleans May 14 is announced. He is Vice-president A. L. Carr of National Surety, who is chairman of the insurance committee and a director of the New York Association of Credit Men. He will discuss "The New York Phase of Insurance-Credit Public Relations."

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## Ind. Legislature, Governor Create Compensation Mess

### Status of Industrial Board Clouded, Rate Situation in Air

The Indiana legislature and the governor have succeeded in creating a dilemma so far as the workmen's compensation act and its administration are concerned and the utmost confusion now exists. There are two main problems, one being the status of the industrial board, if any, and the other pertains to the compensation rate situation.

The puzzle that has been created as to the status of the industrial board is due to the fact that the governor is a Democrat and the legislature is Republican and were at loggerheads during the legislative season.

Section 50 and 51 of Chapter 15 of the Indiana workmen's compensation law of 1929 established the industrial board, the members of which were to be appointed by the governor. In the last legislative season, in order to remove the industrial board patronage from the hands of the governor, the legislature enacted a measure repealing sections 50 and 51. The governor vetoed that bill but it was passed over his veto. At the same time the legislature enacted another bill providing for the creation of a new industrial board with the appointments to be made by a state agency other than that of the governor. This measure, however, ran into a pocket veto. The legislature had adjourned and the result is that the industrial board, as created by sections 50 and 51, was abolished and a substitute measure did not go into effect.

#### Repealer Effective May 1

The bill repealing the industrial board became effective May 1. For the time being at least the industrial board, however, is continuing to remain in existence.

Some lawyers find a ray of hope, however, from a statute of 1937. Under that act the machinery of government of the state was redepartmentalized and among other things the law sets up an industrial board as one of several bureaus in the state division of labor. The law, states that this act shall be supplemental to all other existing laws "except those specifically herein repealed." That statute is deficient in some respects, as a separate instrument creating an industrial board, but some lawyers feel that when and if the issue gets into the courts, it is not unlikely that it will be held that the industrial board's existence is preserved by reason of this statute. Their theory is that if it should be held that the industrial board is abolished, administration of the compensation act would become chaotic and the courts would be inclined to seize any possible justification to avoid a catastrophe to such an important social program as workmen's compensation.

#### Rate Situation Puzzling

The other problem involves workmen's compensation rates. The legislature passed a law providing for the fixing of maximum rates that might be charged. The primary idea of the supporters of that bill, the local agents, was to permit the application of the equity rating procedure by stock companies in Indiana. Heretofore equity rating has been prohibited under the rate control setup in the state. Off-

hand the impression seems to be that under the new law no company may charge more than the prescribed maximum rates, but there is no bottom to the rates that may be charged, and thus a completely competitive situation is created. Just where that leaves the rating bureau is a question of paramount interest just now and there seems to be no definite answer. It is assumed that some sort of an arrangement will be worked out whereby the published rates are the maximum rates.

One complication that has occurred involves the retrospective rating plan. If the published rates are to be the

maximum rates, then it would appear that the retrospective rating plan could not be used, because the loss experience might be such as to require the payment of a rate higher than the standard or published tariff.

Meetings of the advisory committee of the rating bureau have been held to discuss the various issues involved, but the answers have not yet been found.

#### Executives Not to Bring Suit

In connection with the industrial board question, the law committee of the Association of Casualty & Surety Executives held a meeting and decided

that the association should take no action in the matter but should advise member companies to continue to follow in all respects the same procedure that they have been following in matters arising out of the compensation law. The committee came to the conclusion that the companies should proceed in filing with the industrial board agreements entered into with claimants, in filing notices as required under the law and in complying with other requirements without regard to the question as to the status of the industrial board after May 1. It is understood that pro-

(CONTINUED ON LAST PAGE)



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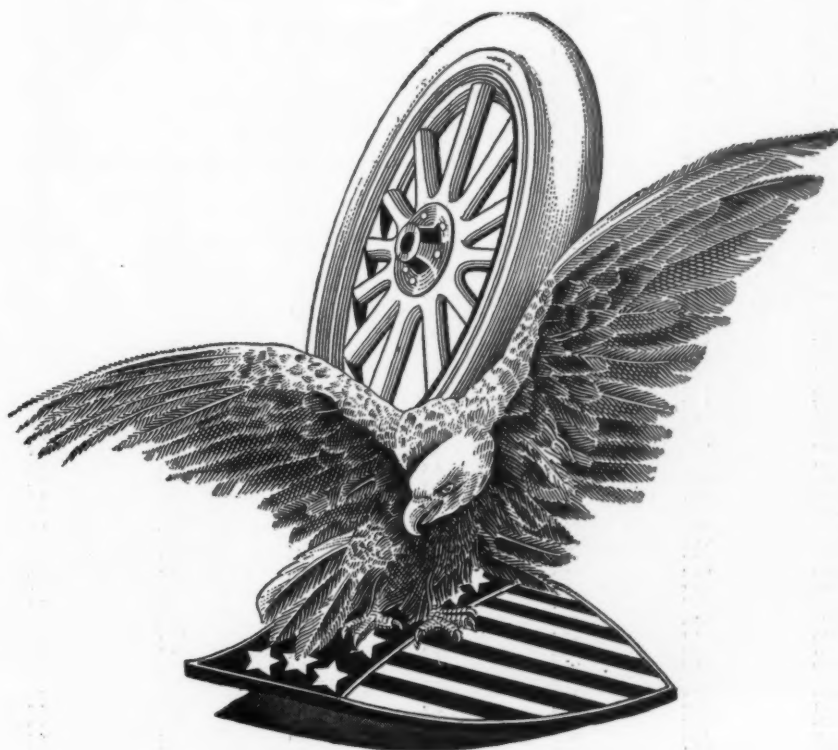


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(CONTINUED FROM PAGE 22)  
STOCK COMPANIES, AUTOMOBILE PROPERTY DAMAGE—1940 EXPERIENCE

	Premiums Earned	Underwriting Loss	Ratio Expense	Net Gain	Claim Adjustment	Acquisition & Field Sup.	Analysis of Incurred General Administration	Expense Ratio Inspection & Bureaus	Taxes & Fees	Federal Inc. Tax
Accident & Casualty	392,226	67.1	76.1	-43.2	15.6	34.9	16.7	4.6	4.3	...
Aetna Casualty	2,785,395	53.8	58.1	-11.9	16.7	29.1	10.3	.3	3.3	...
Allstate	727,239	42.2	48.8	9.0	14.4	8.4	18.8	1.0	2.6	3.7
American Automobile	2,153,324	54.1	46.8	-9	8.7	36.2	3.7	.4	2.9	...
American Employers	670,876	51.2	52.8	-4.0	10.2	30.6	9.5	.2	2.3	...
American Fidelity & Casualty	715,442	64.9	38.3	-3.2	10.1	15.6	4.3	4.7	2.6	1.1
American Motorists	969,790	47.1	40.4	12.5	13.9	20.7	4.0	.8	2.0	...
American Policyholders	422,159	49.5	34.5	16.0	14.7	9.8	5.3	1.0	1.6	1.1
American Surety	321,896	50.0	70.4	-20.4	17.0	31.3	16.5	1.8	3.8	...
Arex Indemnity	7,256	34.0	47.5	18.5	22.5	9.6	10.9	.5	4.3	...
Associated Indemnity	163,016	48.6	56.4	-5.0	14.0	29.4	7.1	2.6	3.3	...
Bankers Indemnity	407,543	61.7	65.6	-27.2	23.2	27.1	11.0	1.5	2.8	...
Car & General	614,940	56.4	53.0	-8.4	12.5	29.1	7.1	1.8	2.6	...
Central Surety	522,575	55.9	50.2	-6.1	12.1	28.2	5.3	1.4	3.2	...
Century Indemnity	663,946	54.7	55.0	-9.7	15.0	30.3	5.5	1.3	2.3	...
Citizens Casualty	68,179	66.1	41.6	-7.7	12.2	11.9	13.7	.8	3.0	...
Columbia Casualty	264,163	54.1	57.3	-11.4	12.6	27.4	12.1	1.8	3.4	...
Commercial Casualty	506,843	64.2	59.0	-23.2	16.5	27.7	11.0	1.1	2.7	...
Continental Casualty	1,571,296	53.5	49.3	-2.8	11.9	27.3	5.3	2.1	2.7	...
Eagle Indemnity	409,894	61.1	55.8	-16.9	20.0	24.9	6.0	2.0	2.9	...
Emeco Casualty	53,698	73.1	42.3	-15.4	1.3	36.0	1.2	.1	4.0	...
Employers' Liability	2,002,400	48.2	52.4	-6	12.1	28.5	8.8	.2	2.8	...
Fidelity & Casualty	1,550,013	54.1	57.4	-11.5	15.3	28.1	9.1	1.8	2.8	...
Fireman's Fund Indemnity	415,999	61.0	61.0	-12.0	17.9	28.1	10.0	1.7	3.3	...
General Accident	2,199,048	51.6	48.6	-2	15.0	25.8	4.4	.8	2.6	...
General Casualty, Wash.	644,467	53.3	50.2	-2.5	8.9	32.4	6.1	.2	2.5	...
General Transportation Casualty	400	12.1	7.9	80.0	2.4	...	2.8	...	1.8	...
Glens Falls	556,792	53.7	65.9	-19.6	20.3	31.3	9.6	1.6	3.2	...
Globe Indemnity	1,462,169	51.9	49.7	-1.6	16.1	24.4	5.7	1.2	2.5	...
Great American Indemnity	907,111	49.7	55.3	-6.0	17.6	24.7	9.7	.4	3.0	...
Hardware Indemnity	70,383	49.7	47.4	2.9	14.3	17.6	8.2	1.7	5.6	...
Hartford Accident	2,916,462	53.0	53.1	-6.1	15.4	25.8	8.2	.9	2.8	...
Home Indemnity	573,951	58.6	56.9	-10.5	16.2	29.9	6.0	1.0	3.8	...
Indemnity of North America	1,074,402	53.8	64.4	-18.2	19.9	30.1	10.4	.7	3.3	...
Keystone Automobile Club	370,491	54.3	46.4	-7	16.7	19.9	9.5	.3	1.0	...
London Guarantee	488,020	48.9	48.6	2.6	11.9	24.6	8.6	1.1	3.1	...
London & Lancashire Indemnity	300,410	52.4	62.4	-14.8	18.0	26.4	18.9	1.4	2.6	...
Manufacturers Casualty	588,965	57.2	49.9	-7.1	14.9	24.4	7.7	.4	2.5	...
Maryland Casualty	1,574,773	52.1	47.9	-3.0	12.6	26.3	6.0	1.8	3.2	...
Massachusetts Bonding	1,018,505	52.1	51.8	-3.0	15.0	28.2	5.1	1.0	2.5	...
Metropolitan Casualty	578,554	55.5	58.4	-13.9	16.1	26.6	11.5	1.0	3.2	...
National Casualty	123,219	58.3	51.8	-10.1	11.6	29.9	5.4	2.3	3.6	...
New Amsterdam Casualty	939,997	58.0	53.8	-11.8	14.3	25.7	9.2	1.4	3.1	...
New England Casualty	690	87.1	801.7	-788.8	122.0	164.5	486.1	12.0	16.9	...
New York Casualty	207,311	49.4	59.2	-8.6	16.0	27.5	10.8	1.9	3.0	...
Norwich Union Indemnity	29,985	60.2	78.8	-39.0	24.6	30.9	18.0	.8	4.5	...
Occidental Indemnity	31,077	58.2	43.3	-1.5	8.7	24.8	6.0	.7	3.1	...
Ocean Accident	484,711	49.4	56.1	-5.5	13.6	26.5	11.0	1.7	3.3	...
Peerless Casualty	6,872	38.9	25.1	36.0	3.0	10.9	7.5	...	3.7	...
Phoenix Indemnity	318,812	52.4	45.0	2.6	8.4	28.0	6.7	1.1	2.0	...
Preferred Accident	805,301	44.1	62.7	-6.8	21.1	29.9	6.5	1.8	3.4	...
Protective Indemnity	104,736	58.2	65.3	-18.5	23.8	29.0	5.9	3.3	3.8	...
Royal Indemnity	1,154,631	55.1	54.0	-9.1	19.1	23.2	7.1	2.1	2.5	...
St. Paul-Mercury Indemnity	607,063	57.4	52.4	-9.8	14.0	26.5	7.1	1.6	3.2	...
Standard Accident	869,581	49.5	57.9	-7.4	16.7	29.8	8.1	1.1	2.2	...
Standard Surety & Casualty	375,910	52.5	59.2	-11.7	16.6	29.2	10.1	.1	3.2	...
Sun Indemnity	417,438	67.2	48.6	-15.7	13.8	23.4	7.1	1.5	2.7	...
Travelers Indemnity	4,491,008	50.2	63.9	-14.1	16.2	28.7	13.6	1.9	3.6	...
United States Casualty	467,588	63.2	54.9	-18.1	21.3	23.3	6.6	1.0	2.7	...
United States Fidelity & Guaranty	1,865,351	51.2	46.4	3.4	10.7	22.8	7.8	1.1	3.1	...
United States Guarantee	466,312	53.9	49.6	-3.5	11.6	24.3	10.1	1.0	2.7	...
Universal Indemnity	43,895	77.3	48.7	-26.0	17.1	16.0	10.8	2.0	2.8	...
Yorkshire Indemnity	89,351	64.0	64.2	-28.2	21.1	29.3	9.6	1.6	2.6	...
Zurich	666,290	57.3	54.8	-12.1	18.0	24.5	8.3	.5	3.5	...
Total—Stock Companies, 1936	\$43,378,494	37.5	50.7	11.8	13.1	26.5	7.8	.9	3.4	...
Total—Stock Companies, 1937	47,467,261	41.2	51.9	6.9	12.3	26.8	7.7	1.1	4.0	...
Total—Stock Companies, 1938	47,137,570	39.2	52.2	8.6	13.0	25.9	8.0	1.0	4.3	...
Total—Stock Companies, 1939	47,834,828	44.3	52.7	3.0	13.5	26.1	8.1	1.2	3.8	...
Total—Stock Companies, 1940	49,261,229	53.1	53.8	-6.9	14.6	26.7	8.3	1.2	2.9	...

## MUTUAL COMPANIES, AUTOMOBILE PROPERTY DAMAGE

Amalgamated Mutual Auto. Cas.	98,201	20.9	38.6	40.4	15.5	...	18.5	1.0	3.6	...
American Mutual Liability	730,887	51.4	35.1	13.5	13.2	11.0	8.5	.7	1.7	...
Butchers Mutual Casualty	50,614	50.6	50.0	-6	15.3	19.6	8.6	5.8	2.7	...
Electric Mutual Liability	15,856	31.1	27.4	41.5	25.3	...	...	.2	9	...
Empire Mutual Casualty	8,363	64.1	61.9	-16.0	25.6	19.1	11.4	.4	5.4	...
Employers Mutual Liability	405,966	66.0	22.9	11.1	9.8	8.4	1.9	1.4	1.4	...
Exchange Mutual Indemnity	89,997	37.9	31.1	31.0	5.7	23.3	...	.2	1.7	...
Factory Mutual Liability	524,098	33.7	36.3	33.0	11.6	...	19.6	.2	1.3	...
Farm Bureau Mutual Automobile, O.	1,310,291	62.2	41.2	-3.4	9.8	13.1	15.4	.6	2.8	...
Hardware Mutual Casualty	1,515,590	46.2	30.2	23.6	6.7	14.3	5.7	1.4	2.1	...
Interboro Mutual Indemnity	208,643	34.7	46.6	19.7	31.4	4.4	6.2	1.7	1.9	...
Jamestown Mutual	198,980	50.9	42.4	6.7	12.1	19.2	8.1	.9	2.1	...
Liberty Mutual	2,534,716	52.4	35.0	12.6	17.9	8.7	5.5	1.0	1.9	...
Lumbermen's Mutual Cas., Ill.	3,624,323	43.1	41.9	15.0	14.0	19.8	5.1	1.1	1.9	...
Lumber Mutual Casualty, N. Y.	52,940	56.5	54.4	-10.9	23.1	15.4	11.2	2.2	2.5	...
Manhattan Mutual Automobile	65,116	56.2	60.5	-16.7	13.3	25.5	15.4	3.3	3.0	...
Merchants Mutual Casualty	715,204	47.2	35.3	17.6	10.8	12.3	8.4	1.4	2.4	...
Mutual Casualty	558	16.1	94.5	-10.6	17.7	12.8	56.2	.5	7.3	...
National Grange Mutual	405,031	40.3	36.6	23.1	11.9	12.8	9.7	.2	2.0	...
New York Printers & Bookbinders	1,775	24.8	23.9	51.3	7.1	4.6	9.1	1.2	1.9	...
Public Service Mutual	45,655	60.2	42.5	-2.7	4.9	20.7	11.6	.8	4.5	...
Security Mutual Casualty	54,424	33.9	17.2	48.9	10.3	1.9	3.6	.3	1.1	...
Utica Mutual	684,543	48.4	41.8	9.8	14.9	18.2	6.2	.4	2.1	...
Total—Mut. Companies, 1936	\$9,452,112	35.5	35.1	29.4	11.6	13.4	7.2	.8	2.0	...
Total—Mut. Companies, 1937	10,389,572	39.1	34.8	26.1	12.7	12.8	6.5	.7	2.1	...
Total—Mut. Companies, 1938	12,608,124	37.0	35.3	27.7	12.1	12.9	7.2	.9	2.2	...
Total—Mut. Companies, 1939	13,067,735	40.8	36.0	28.2	12.3	13.0	7.6	.9	2.3	...
Total—Mut. Companies, 1940	13,341,771	48.2	37.4	14.4	13.2	13.6	7.6	1.0	2.0	...

## L. C. McGee Honored for 25 Years with Aetna Casualty

ST. PAUL—About 100 associates and friends of L. C. McGee, Minnesota manager of Aetna Casualty, honored him at a dinner here, marking completion of 25 years' service with the Aetna. Special guests invited were E. O. Waggoner, former superintendent of agencies in Chicago, who gave Mr. McGee his first job with the Aetna there; John Timmons, Chicago, and George Tramel, Chicago manager.

Before joining the Aetna in Chicago in 1916, Mr. McGee was in the general insurance business in Danville, Ill. He

served for a time as manager in Dallas, then went to the home office as field supervisor. About 12 years ago he was made manager in St. Paul and when the St. Paul and Minneapolis offices were consolidated in 1934 he continued in charge.

Preceding the dinner in St. Paul, open house was held all day at the Minneapolis office.

## Neblett Shifted to Tampa

J. E. Neblett, Jr. has been transferred by the claim department of the Aetna Life from Memphis to Tampa, Fla., as manager of that department.

## F. &amp; C. Production Meetings Held in Eastern Territory

A series of one-day production meetings was held last week by Fidelity & Casualty in Hershey, Pa.; Baltimore, Charleston, W. Va., and Erie, Pa., for agents in the eastern territory. This was a continuation of the sales promotion program which started with meetings on the Pacific Coast after the first of the year. Similar meetings for mid-western agents are to be held in June.

Those from the home office who participated in last week's meetings included Secretaries G. L. Kerr and H. K. Remington, F. W. Selsor, E. H.

Luecke and J. R. O'Malley. J. A. Berry, Philadelphia branch manager, presided at the Hershey and Baltimore meetings, and C. J. Hammer, Pittsburgh manager, at Erie and Charleston.

Members of the Philadelphia branch office who participated at Hershey and Baltimore were James Lewis, agency superintendent; E. J. Uhler, casualty superintendent, and J. C. Gilhooley and W. J. Sutton, special agents. Those from the Pittsburgh branch who spoke at Charleston were J. P. McMahon, bond superintendent, and R. T. Rouse, special agent. Also from the same office were W. B. Gilfillan, A. J. Liebel and E. L. Smith, all special agents, who spoke at Erie.



# Will he be back Again?



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## CHANGES IN CASUALTY FIELD

### Donahue Made Pittsburgh Resident Vice-president

PITTSBURGH—J. Ray Donahue, formerly Philadelphia manager of American Casualty, has succeeded E. E. Gangwere as resident vice-president here.

Mr. Donahue is a Pittsburgher who has been in the insurance business 25 years. He was with United States Fidelity & Guaranty, Maryland Casualty and several other companies before going with American Casualty.

### Zurich Advances Two in Pa.

Zurich has appointed E. K. Lukert assistant manager and C. F. Lyons supervising underwriter of the Philadelphia office.

Mr. Lukert has been with Zurich a year in the field and the underwriting department. Prior to joining Zurich he was manager of the casualty department of Massachusetts Bonding in Philadelphia, and he had been with that company 10 years. He was six years with Globe Indemnity, first as inspector and later as underwriter.

Mr. Lyons has been with Ocean Accident 14 years.

### Neumann to Royal Indemnity

NEW YORK—George W. Neumann has been appointed superintendent of boiler and machinery production for the metropolitan department of Royal Indemnity, succeeding T. E. Andrews, who has been called into active service in the navy. Mr. Neumann has been with Fidelity & Casualty more than 16 years. In the boiler and machinery field he has worked at various times on claims, underwriting, inspection and production.

### Thompson Now Casualty Manager

C. C. Thompson, who has been in charge of the claims department of the Central Surety in the Pacific Coast department office in San Francisco, has also been appointed manager of casualty business. He retains his supervision of the claims, in a plan to bring about better coordination between claims and underwriting. Earl A. Davis is vice-president in charge of the Pacific Coast.

J. W. English, who has been with the organization since the San Francisco office was established, will be assistant in the casualty department and Roblin Williamson remains as assistant in the claims department.

### Fisher Claim Head on Coast

J. Tabb Fisher, formerly at the home office, has been appointed superintendent of claims for Indemnity of North America at San Francisco. He takes the place of Ernest E. Creswell, who has resigned after 18 years in the position.

### Standard Adds to N. Y. Staff

Two special agents have been added to the New York branch of Standard Accident. L. W. Abbey, who has been special agent in the Long Island territory, is being transferred to Queens county. He is replaced in Long Island by John H. Kerr, heretofore in the claim department. He was at one time with Royal Indemnity.

G. K. Buchanan, who has lately been

with John H. Awtry, Inc., and before that with the liquidation bureau of the New York department, has been added to the production staff in the New York metropolitan district.

### Cooley with Continental on Coast

L. M. Cooley, formerly in the field for the Commercial and Metropolitan Casualty, has been appointed special agent in Seattle for the Continental Casualty and Continental Agencies, Inc. L. G. Grewe is northwest manager. Mr. Cooley will travel the Pacific northwest states, representing both the Continental Casualty and the companies of the Continental Agencies, Inc., which are the National Casualty, Mechanics & Traders and Transportation.

### Dux Returns to Los Angeles

Fidelity & Casualty has transferred A. J. Dux, field man in Seattle, to his former territory with headquarters in Los Angeles.

### Aiken Now Assistant Secretary

F. A. Aiken, who has been underwriting manager of Merchants Indemnity for the past year, has now been elected

an assistant secretary. He started in the business with U.S.F. & G. at New York; then he was liability underwriter for the Marine Office of America and later with the marine department of Aetna Fire in New York.

### Opens Pittsburgh Claim Office

The Accident & Casualty has opened a claim office in Pittsburgh. W. P. Smith is manager of the Pittsburgh service office. The staff adjuster is M. H. G. Campbell, formerly with Ohio Casualty in Newark.

### Price Heads S. F. City Department

W. C. Price has been appointed superintendent of the city department of the Great American Indemnity in San Francisco. He has been with the production division of the Pacific Coast office for 12 years.

Adrian F. Lanser, who has been head of the casualty and bonding department of Greenfield & Co., has joined Curtin & Brockie of Philadelphia in the same capacity. He has been in the business more than 20 years.

W. G. Street has become associated with Miller & Rudd, Boston, New England managers of the Protective Indemnity as special agent. He has been conducting his own agency in Dedham, Mass.

pay taxes to help support the first branch of our insurance business to be taken over by the federal government. It is only a short step from providing unemployment and old age benefits to providing accident or disability benefits—no one is more important than the other. Instead of conducting filibusters on the value of accident and health insurance to the agents, we had better start selling plenty of accident and health insurance, or else start taking civil service examinations."

### Railroad Rates Announced for Los Angeles Convention

Railroads serving the Pacific Coast are circularizing member companies and members of the local associations, giving complete information about rates, routes to and from Los Angeles, and other matters of interest to those contemplating going to the coast for the convention of the National Accident & Health Association, in Los Angeles June 23-25.

The charges for the round trip from Chicago are \$137.40 first class, including rail fare, Pullman lower berth and meals on the train; intermediate, \$97.50, including the same items, and coach, \$70.80. From New York, the cost will be: First class \$198, intermediate, \$162.25, and coach \$98.30. The railroads are offering choice of several routes from the east to Los Angeles with return via another line.

Members seeking more detailed information are urged to consult with representatives of the three rail lines reaching Los Angeles, Southern Pacific, Union Pacific and Santa Fe, to get exact data relative to their trip to Los Angeles.

### Cal.-Western Has "Non-Cam" Form

California-Western States Life has announced a new guaranteed renewable disability income policy. The new "Cal-Western" form, issued to male risks only, provides income up to \$200 a month for disability caused by acci-

## ACCIDENT AND HEALTH

### Accident Policy a Week Would Put Agent on Easy Street, Packwood Says

"If an agent would sell one good accident and health policy a week, averaging \$1,200 a year in premiums, for five consecutive years, with average commercial lapse ratio of 5 percent, and put all those commissions in his piggy bank, he could make a \$5,000 splurge at the end of five years," F. Glenn Packwood, manager Massachusetts Bonding, Kansas City, told the Nebraska Association of Insurance Agents in speaking on "The Value of Accident and Health Insurance to the Multiple-Line Agent."

"That would mean some fun as well as good business. About 95 percent of you could do that very thing if you would only plan your work that way. The average agent unintentionally wastes more time, in some lackadaisical manner, than this suggested program requires. I urge you to start 'warming up' now so that you will qualify for the Black Cat club by selling 13 policies on Hoodoo Day, Friday, June 13."

He said that the Nebraskans, "although there are no better or more aggressive agents in the world," are subject to criticisms because of the too small figures representing the accident and health premium writings of the state and that the figures for this year should show not less than a 25 percent increase in that line.

### Sabotaging Own Business

He amplified the often repeated statement that earning power is a man's most valuable, invisible, yet primary asset.

"Maybe you are one of the 2 percent in this country who are not dependent on your earning power for continued income," he said. "Then you are fortunate, but financially lonesome, be-

cause 98 percent of the people in the United States of America depend on either the pay check or their earning power, so 98 percent of the expirations in your agency probably depend on continued income. You may be sabotaging your own business, exposing your life line, if you do not insure their income or earning power."

He referred to the fact that one fire policy in each 1,200 becomes a claim each year, while the ratio in accident policies average one loss out of each eight policies each year. "Maybe your clients would like also to have a policy that pays them for more frequent losses," he commented.

### Warning on Government Activity

If anyone in Nebraska says he does not need accident and health insurance, he suggested asking them what and who supports 1,635 physicians, 855 retail drug stores, 121 hospitals having 10,806 beds and 3,273 graduate nurses in that state.

He sounded a serious warning as to the danger of government entry into the accident and health field. Pointing out the very small percentage of the economic loss from accident and illness now covered by claim payments under accident and health policies, he said: "I predict that within five years you will either sell many times your present accident and health volume on which you receive commissions, or you will

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dent or sickness, with an aggregate income limit of 24 months. It is guaranteed renewable to age 60.

For accidental injury, full benefits are payable from the first day of total disability, with one-half partial disability for three months. For sickness, full benefits are payable after the seventh day up to policy limits. House confinement is not required.

The company is selling the policy in 11 western states.

#### Ottosen Salt Lake City Speaker

SALT LAKE CITY—Acting Insurance Commissioner Ottosen addressed the Accident & Health Club of Salt Lake City on "The present situation with respect to the provisions of Utah's brokerage law." He said: "There is brokering going on all the time by those without proper representation. We in the department have to put up with it, whether we like it or not." He held the law relating to insurance brokerage inadequate and out of date, and said the best way of solving the problem was to amend the existing law. A resolution was adopted favoring such an amendment.

#### Now Fidelity H. & A. Mutual

The Fidelity Health & Accident of Benton Harbor, Mich., has changed its name to Fidelity Health & Accident Mutual. Hereafter it will operate under the general mutual law rather than as a cooperative assessment writer.

#### Marine Contest for Scherr

CINCINNATI—A "Show Your Colors" production campaign during the birth month of J. W. Scherr, president, has been put under way by Inter-Ocean Casualty. The campaign is built around a marine theme which features the international marine code. Agents have set their own quotas for the month.

#### Paul Wallace in Dallas Post

Paul A. Wallace has resigned as district manager of Equitable Society at Tulsa to join his brother, Travis T. Wallace, president of Great American Reserve of Dallas, to supervise agency expansion for that company.

#### Drop Childbirth Hospital Cover

LINCOLN, NEB.—A number of companies, including Mutual Benefit Health & Accident, have notified the Nebraska department that they are withdrawing hospitalization policies which include expenses of childbirth.

#### Ga. Labor for U. S. Health Cover

At the annual meeting of the Georgia Federation of Labor in Savannah, a resolution was adopted favoring legislation which would make health insurance a part of social security legislation.

#### Cashiers Set A. & H. Record

A week in which cashiers and counter-men managed the accident department of Travelers in Chicago has set a new record. The drive, held in honor of B. H. Groves, manager of the department, was in charge of S. R. Platenburg, cashier. More than \$2,000 more in premiums was netted in the period than in any other week previous.

#### Make Hoodoo Day Plans in K. C.

KANSAS CITY—The meeting May 9 of the Kansas City Accident & Health Association will be devoted in part to discussion of plans and appointment of committees for observing Hoodoo Day, June 13. The chairman for the day will be F. G. Packwood, Massachusetts Bonding, who won the managers' award in 1939 and 1940 for producers qualifying in the Black Cat Club. The association also will discuss "Direct Mail and Circularizing."

Ross Mauk, special agent for Commercial Standard in east Texas and Louisiana, was operated on at the Methodist Hospital in Dallas for appendicitis. He is doing nicely.

## SURETY

### Sees Possibility for Surety to Render Public Service in Handling Liquor Bonds

A conception of the public service that surety companies might provide in the proper underwriting of liquor bonds was given by J. E. Auchley, U.S.F. & G., president of the Surety Association of St. Louis, in addressing the Conference of State Liquor Administrators at Excelsior Springs, Mo. The companies, he said, should select and underwrite all liquor license bonds whether or not they are forfeiture obligations on a basis of the applicant's moral right to their confidence and guarantee and the state supervisor should assume a well balanced attitude. The administrators, he said, would not be inclined to persecute a surety which did its best to assist him in the selection of license holders, in the separation of the sheep from the goat.

#### Selection Careless at First

Mr. Auchley said that at first in Missouri, it was assumed that liquor license bonds were mere instruments of indemnity and involved slight hazard. Most of them were written by politicians who cared nothing about selection of risks.

However, the supervisor of the department of liquor control concluded that bonds were forfeiture instruments. He brought suit against a violator and won in the supreme court.

The surety companies under the circumstances did not run to cover, he said. The surety men of Kansas City and St. Louis conferred with the supervisor of the department of liquor control. They were willing to continue to write the bonds strictly as an accommodation to the state liquor department, to the industry and to the public. It had to be a joint undertaking. Services of an investigating bureau were secured and this bureau made investigations for all the companies. The information was card indexed and before long there was a record of all retail liquor dealers and their histories. If a tavern keeper were caught violating the law, his surety could cancel the bond if it seemed desirable to do so. That enabled the supervisor to revoke the license of the tavernkeeper unless he could secure a new bond. The surety companies, however, were careful not to do an injustice by hasty cancellation.

### New Rating Scheme for Certain Supply Bonds

Surety companies have introduced a new rating scheme to apply where payment (labor and material) bonds are required in connection with contracts rated as supply along with performance bonds. The companies find that under existing conditions there is a tendency to require payment bonds in connection with supply contracts. Heretofore, with performance bond only being required, the companies followed the practice generally of making no charge for payment bonds. The rate was \$2.50 per \$1,000 on the amount of the contract.

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SUPERVISING INSPECTOR Chicago location by bureau casualty company. Must be familiar with all casualty lines including boilers. In reply state age, experience and give reference. Address N-35, care of The National Underwriter, 175 West Jackson Blvd., Chicago, Ill.

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with a maximum of \$5 per \$1,000 on the bond.

The rate setup where payment bonds are required along with performance bonds is quite complicated and agents are warned that the instructions should be read very closely.

1. Where the penalty of the performance bond is less than 50% of the contract price, but not less than 10% of the contract price, and (a) where the penalty of the payment bond is 50% or more of the contract price, for contracts of \$1,000,000 or less; (b) 40% or more of the contract price on contracts over \$1,000,000 but not over \$6,250,000 and (c) \$2,500,000 or more where the contract price is over \$6,250,000, the premium for both performance and payment bond is ascertained by adding them together and charging thereon the manual rate of \$5 per M for the term, on the total bond penalties. Where the penalty of the performance bond is 50% or more of the contract price, the manual rate of \$2.50 per M on the contract price is charged for performance and there is added \$5 per M on the penalty of the payment bond.

2. Where the penalty of the performance bond is less than 10% of the contract price and where the percentage of the payment bond is the same as or less than that set forth in paragraph 1 above for payment bonds, then the charge for both performance and payment bond is the manual rate of \$5 per M (a) on 60% of the contract price where the contract is \$1,000,000 or less; (b) on 50% of the contract price where the contract is over \$1,000,000 but not over \$6,250,000 and (c) on 10% of the contract price plus \$2,500,000 where the contract is over \$6,250,000.

3. Where there is a payment bond only, then the manual rate of \$5 per M is charged, (a) on 50% of the contract price where the contract is \$1,000,000 or less; (b) on 40% of the contract price where the contract is over \$1,000,000 but not over \$6,250,000 or (c) on 10% of the contract price plus \$2,500,000 when the contract is over \$6,250,000.

## H. & A. Conference Program Offers Much Attraction

(CONTINUED FROM PAGE 23)

will give his annual address as conference president. There will also be two important outside speakers at that session: Holgar J. Johnson, president Institute of Life Insurance, on "The Importance of Public Attitude," and C. M. Colignon, medical director Campbell, Wyant & Cannon Foundry, Muskegon, Mich., on "The Importance of Industrial Health in Our National Defense Program."

F. B. Alldredge, Occidental Life, first vice-president of the conference, will preside at the general session Tuesday afternoon. Clyde W. Young, president Monarch Life, will report as chairman of the public relations committee. J. G. Crownhart, secretary State Medical Society of Wisconsin, will speak on "Looking at Sickness Insurance Abroad"; H. C. Pogue, manager group department Business Men's Assurance, on "Group Hospitalization," and A. G. Fankhouser, Continental Casualty, former president International Claim Association, on "Claim Department Attitude."

The agency management session, which has come to be regarded as one of the most interesting and important features of the conference meetings, will occupy the entire session Wednesday morning, with Francis L. Merritt, vice-president Monarch Life, chairman of the agency management committee of the conference, presiding. It will take the form of a panel discussion on all phases of home office agency management, the participants being J. W. Scherr, Jr., assistant secretary Inter-Ocean Casualty; Rex Edmunds, vice-president Fidelity Health & Accident; R. L. Paddock, agency assistant Time; T. T. McClintock, manager accident department Ohio State Life; John L. Elliott, agency director Washington National, and S. R. Rauwolf, assistant agency director North American Accident.

At the home office management session Wednesday afternoon, with D. G. Trone, Indiana Travelers Assurance, second vice-president of the conference,

presiding, E. J. Faulkner, Woodmen Accident, will report as chairman of the education committee. L. E. Frailey of Frailey & Associates, Chicago, will speak on "Home Office Correspondence"; T. H. Steers, office planning and methods consultant, Chicago, on "Waste vs. Legitimate Expense," and A. M. Weinrich, office manager Lumbermen's Mutual Casualty, on "What's Happening in Personnel."

The conference banquet will be held Wednesday evening with President Clement as toastmaster and Mr. Trone in charge of the awarding of golf prizes.

An executive session will be held Thursday morning June 5, at which Fred E. King, New York attorney, will speak on "Wage and Hour Law." Reports will be given by the executive secretary-treasurer and various committees and the session will conclude with the election of officers.

## Include Named Insured in Rider

(CONTINUED FROM PAGE 23)

the anticipation is that sales will take another spurt.

The automobile medical payment coverage becomes applicable in Idaho Thursday of this week.

Automobile medical payments coverage including the named assured is not applicable in Arizona, California, Connecticut, Illinois, Louisiana, Maine, Missouri, Virginia, Washington and Wisconsin. It had not previously been applicable in Kansas but does become permissible there upon publication of the new revision. It becomes permissible in the state of Washington, June 11. In Illinois, in order to cover the named assured, a separate accident policy must be issued to him and the insurer must be qualified to write accident and health business.

At the same time a revision was made in the medical expense endorsement, other changes were introduced in the automobile manual. The short rate premium table is revised in accordance with action taken at the recent insurance commissioners convention. The new table brings about slight changes in the short rate percentage charges and establishes one new percentage charge for a policy in force 345 days.

### Trailer Rule Simplified

The trailer rule applicable to long haul trucking risks has been simplified, eliminating the need for establishing measurements of trailers or semi-trailers. The present percentage rates are continued and apply as follows: Trailer—50 percent of the rates for commercial automobile or power units; semi-trailer, 10 percent of rates for commercial automobile or power units. These rates apply regardless of length or size of the trailer or semi-trailer.

In connection with school bus rules, it is provided that coverage is granted without additional charge for any automobile substituted for the automobile described in the policy while the described automobile is withdrawn from use and the substituted car is used in lieu thereof, providing the named assured notifies the insurer within 30 days.

A garage employee may now insure his own car at the regular private passenger car rate without the requirement that the insurer issue a garage payroll policy to the employer including the payroll of such employee. If the employee cannot specify the automobile to be driven by him, the rates are higher whether or not a concurrent garage payroll policy is in effect.

It is now provided that coverage against damage to property in charge of the insured may be granted on a \$50 deductible basis in addition to the old basis of \$100 deductible.

There have been revisions in the drive other cars provision. The limited form rule is revised by the elimination of the requirement of permission by the person having the right to grant per-

## Preside at La Salle, Ill., Regional



JAMES J. BEATTIE

James J. Beattie, Rockford, Ill., presides at the luncheon session and dinner during the regional meeting of the Illinois Association of Insurance Agents May 13 at La Salle, Ill. Merle A. Read, Joliet, will preside at the afternoon session. Mr. Beattie is vice-president of



MERLE A. READ

Region 3. He is president of the Camlin Company agency; is a member of the Illinois association board and last year was chairman of the forms committee. Mr. Read, of the Read-Adler Agency, is past president Joliet Association of Insurance Agents.

mission for the use of the other car and provision is now made for including the interests of the employer and the spouse of any person to whom the limited form drive other cars coverage is available either with or without charge.

The drive other cars broad form coverage rule has been completely revised to be in accord with the existing endorsement provision and the present underwriting intent. It is provided that if the company covers, in addition to the owned cars, hired cars and the non-ownership liability of the named insured, if an individual, the broad form coverage is available without additional premium. It is now provided that the officers of a corporation may be included as additional insured without additional premium charged to cover their liability as officers of the corporation for the operation of motor vehicles for which insurance is afforded the corporation under the non-ownership policy.

The trailer and semi-trailer premium table has been simplified by the elimination of any reference to overall length and by reducing the number of classifications to two. Substantial rate reductions have been established by these changes and at the same time it has been possible to eliminate inconsistencies which heretofore prevailed with respect to the trailer charges applicable to local and long haul truckmen. The single rate of 25 percent of light class 4 has been established for a show room or salesroom trailer or semi-trailer, thereby resulting in a substantial rate reduction for any such trailers or semi-trailers more than 15 feet in length.

The rule on transportation of employees, fellow employees and others, has been completely revised and a substantial rate reduction is available.

## Buyers Discuss How to Get New Forms of Cover

(CONTINUED FROM PAGE 21)

bar recovery. It might also cause a contingent liability to become a direct one, he said.

In the case of an employee's insurance being endorsed to cover the employer, Mr. Bowen said the insurer should be asked to limit the corporation's coverage to the time that the employee is on company business. This would keep the corporation covered for claims to its

property alone while the employee is off duty.

## VALUE OF TIME

Time is a most important factor in the national defense program and it

is the duty of casualty companies to do all they can to prevent accidents which represent loss of time. J. M. Gillet, vice-president in charge of casualty lines, Maryland Casualty, told the association members. Time cannot be replaced and freedom from accidents means time gained.



J. M. Gillet

Mr. Gillet explained the setup of the Insurance Committee for the protection of American Industrial Plants of which Harold V. Smith, president of Home, is chairman. He outlined particularly the function of the casualty subcommittee and said that in addition to attempting to prevent accidents the committee acts in a consultant capacity cooperating with the Federal Bureau of Investigation. The subcommittee's main function is the prevention of accidents to machinery. He said that since the formation of the committee a little over a year ago the contemplated number of risks turned over by the FBI is already in five figures.

G. F. Ainslee, Jr., agency supervisor of American Surety, outlined the fidelity and surety bonds that can be purchased to protect the manufacturer in defense work. He said that the surety companies have advised their branch offices to give defense contracts first consideration.

Because surety companies stand ready to eliminate one of the perilous obstacles in the national defense program—that of the dishonest employee—he suggested that it might be wise for defense manufacturing plants to look into certain types of bonds. He explained that a complete investigation by a surety company goes a long way towards eliminating any "bad actors" who are in the employ of these plants. With expansion and the turnover of young men people are hired without too much investigation into their background.



## New Committees of W. U. A. Are Named

Following the annual meeting, the new committees of the Western Underwriters Association have now been appointed. New members of the governing committee are E. M. Schoen, western manager of Atlas, and Olaf Nordeng, vice-president of Automobile. The committee will elect its own chairman and vice-chairman. The continuing members are F. W. Doremus, American; S. M. Buck, Great American; W. K. Maxwell, Hanover; E. W. Hotchkiss, Royal-Liverpool; J. C. Harding, Springfield F. & M., who is chairman; A. F. Powrie, Fire Association; Ivan Escott, Home and C. W. Ohlsen, Sun. The ex-officio members are the officers: C. H. Smith, Hartford, president; W. N. Achenbach, Aetna Fire, and F. W. Koeckert, Commercial Union vice-presidents, and E. A. Henne, America Fore.

New members of other committees are: E. H. Forkel, National Fire, arbitration; E. D. Lawson, Fireman's Fund, general agency; John Rygel, Hanover, grievance; L. R. Hanawalt, National Fire, maps; G. H. Bell, National Fire, loss adjustments—Cook county, and Mr. Lawson, cooperation in loss adjustment practices.

The new committee lineup, except for the governing committee follows:

**Arbitration:** F. W. Doremus, chairman; R. S. Buddy, Glens Falls; W. M. Frink, Norwich Union; D. E. Monroe, Commercial Union; E. H. Forkel; A. and J. H. Stoddart, New York Underwriters.

**Arrangements:** A. F. Powrie, chairman; W. P. Robertson, North America; J. C. Harding; J. R. Cashel, Providence Washington, and J. H. Macfarlane, America Fore.

**Finance:** W. P. Robertson, chairman; E. G. Frazier, Springfield F. & M.; J. R.

Cashel, W. K. Maxwell, and C. W. Ohlsen.

**Fire protection engineering:** J. C. Harding, chairman; G. H. Bell; H. T. Cartledge, Royal-Liverpool; F. W. Koeckert, and C. E. Wheeler, Hartford.

**General agency:** W. K. Maxwell, chairman; W. N. Achenbach; C. W. Ohlsen; S. H. Quackenbush, Crum & Forster, and E. D. Lawson.

**Grievance:** C. W. Ohlsen, chairman; John Rygel; S. H. Quackenbush; C. E. Wheeler, and H. A. Yates, National Union.

**Maps:** E. M. Schoen, chairman; Hart Darlington, Norwich Union; J. W. Gregory, Crum & Forster; L. Ross Hanawalt, and C. E. Wheeler.

**Membership:** E. G. Frazier, chairman; G. H. Bell; F. W. Doremus; J. H. Macfarlane; S. M. Buck; R. G. Osgood, North America; and S. H. Quackenbush.

**Public relations:** J. C. Harding, chairman; E. A. Henne; A. F. Powrie; W. P. Robertson and John Rygel.

**Uniform forms:** W. N. Achenbach, chairman; C. G. Classen, Great American; E. G. Frazier; Leonard Peterson, Home; J. R. Cashel, and C. E. Wheeler.

**Chicago committee:** S. M. Buck, chairman; W. P. Robertson and A. F. Powrie.

**Loss adjustments—Cook county:** A. F. Powrie, chairman; E. A. Henne, and G. H. Bell.

**Cooperation in loss adjustment practices:** J. R. Cashel, chairman; E. D. Lawson; H. W. LaRue, America Fore; J. L. Mylod, North British, and S. P. Rodgers, State of Pennsylvania.

**Inland marine:** George C. Long, Jr., chairman; J. K. Hooker, Automobile; R. R. Martin, Atlas; P. B. Sommers, American, and E. D. Lawson.

**Central Traction & Lighting Bureau:** J. C. Harding, chairman; H. T. Cartledge; O. E. Lane, Fire Association; F. D. Layton, National; and A. R. Phillips, Great American.

body with the Sprinkler Leakage and the Explosion Conferences, and authorized the executive committee to amend the constitution and by-laws of the organization to conform therewith. The Sprinkler Leakage and Explosion Conferences sanctioned the merger of their respective bodies last February, and all three associations for several years, will Roembke, who has been manager of the three associations for several years, will continue as such under the merger agreement.

### Detroit Rates Not Up to Legislature

LANSING—A recommendation has been filed with the Michigan senate by the insurance committee that no legislative action be taken relative to the Detroit fire rate situation. The committee was delegated several months ago to determine whether rates being assessed against residential and small business property were too high, city officials having contended that they were considerably out of line and should be materially reduced.

The committee's report quoted the Michigan anti-discrimination statute under which it was pointed out there is adequate recourse for forcing adjustments of rates that can be proved to be discriminatory. It was further noted that the matter has been referred to the anti-discrimination commission and that presumably a hearing will be conducted. A hearing was scheduled some weeks ago but was postponed indefinitely by Commissioner Berry on the ground that 1940 fire experience had not yet been analyzed.

The senate committee declared that the rate situation is one for executive rather than legislative attention. It mentioned that rumors had been circulated recently of a pending agreement under which the companies would consent to a 15 percent reduction in rates for the Detroit area. Investigation of the report, the committee stated, failed to substantiate it in any particular.

**Standard Accident** has declared a quarterly dividend of 62½ cents per share to be paid June 5, to stockholders of record May 25.

## Fire Protection Should Keep Pace with Construction

NEW YORK—Insurance records clearly show that frequency of fires in new construction increases with industrial expansion and construction and the present period in the national defense program will be no exception to this rule, H. E. Adams, assistant manager Factory Insurance Association, told the meeting of the American Management Association here. He outlined how the insurance inspector can help protect industrial plants.

Safety of a plant from fire is principally determined by the thought given to it before it is erected, and safety from fire cannot be assured by the use of so-called "fire proof construction," nor by any other single measure. The inspector can render assistance in connection with additions and new plants by holding consultation with architects, engineers and plant officials on general planning of structure, layout for fire protection equipment, prevention of loss during construction, protection of hazardous operations, and inspections after operations are started.

### Cut-offs and Sprinkler Protection

Mr. Adams said that experience thus far demonstrates that proper thought is not being given to cut-offs. Although fire walls cannot be put in every few feet, areas in many new plants are excessive. Where such large areas are necessary they can be accepted only if the construction, including the roof, is non-combustible and contents are also largely non-combustible. At present values of single areas are reaching well over the \$20,000,000 figure at some plants.

In sprinkler protection the tendency seems toward the so-called spot system, but this practice is dangerous and frequently expensive. Automatic sprinkler protection should be provided where there is anything to burn or where combustibles may later be introduced. It is easier and less expensive to install sprinklers at the start than to do it later.

### Keep Pace with Construction

The hydrant and sprinkler installation should keep pace with the construction, for there is a great deal of combustible material used in connection with the construction of reinforced concrete building. The water supply and underground piping system should be provided as soon as possible so hose streams will be available from hydrants. It is imperative that the inside sprinkler equipment should be installed step by step with the building construction.

One government agency expects that a water supply and hydrants will be available as soon as 33½ percent construction has been completed and the sprinkler provided as soon as the roof is in place. It has been found that sprinkler contracts are not let until the building construction is practically completed, and this is dangerous in that piping and other equipment is difficult to secure.

### Some Water Supplies Inadequate

Many plants are being built where the present water supplies are inadequate and unreliable. It is preferable that ample supplies feed the system from opposite ends of the yard. This will reduce the possibility of interruption of protection.

Mr. Adams says that it is surprising that the protection of records receives so little attention. Fire protection is being omitted from many drafting rooms and office buildings, where combustible desks and wooden draft boards are used and smoking is permitted. Obviously, in this emergency records are very important. Tracings and blueprints should be safeguarded against fire and sabotage, as a bad loss in office or drafting rooms will disrupt office routine, cause incon-

venience and delay production of vitally needed defense materials.

He listed as important, self-inspection by private fire brigades, capable and alert watchmen, and an educational campaign on eternal vigilance for all employees.

## Program Is Prepared for Illinois Regional Meeting

(CONTINUED FROM PAGE 4)

of Underwriters, will preside in the morning at the meeting in that city and V. G. Musselman, secretary Quincy board, at the luncheon meeting. Mayor Schneideman will extend the welcome. Mr. Bugli will talk in the morning, Mr. Spaid at the luncheon and in the afternoon with C. M. Nicholson of Decatur, vice-president region 4, presiding, Messrs. Osgood and Hodson will talk, followed by discussion periods. There will be a quiz contest between the Insurance Agents Association of Springfield and the Decatur Board of Fire & Casualty Underwriters.

L. E. Head, president Insurance Agents Association of Springfield, will preside at the dinner meeting, with N. M. Winters, Quincy, vice-president region 6, as toastmaster. Mr. Joyce will give his talk.

L. E. Morris, vice-president region 7, will preside at East St. Louis in the morning with welcome by Robert Salvage, chairman East St. Louis Association of Insurance Agents. Mr. Bugli will give his address. Then Mr. Morris will preside at the luncheon meeting when an agent of the FBI will talk on sabotage and war hazards.

J. Will Howell, West Frankfort, vice-president region 8, will preside in the afternoon session when Messrs. Osgood, Hodson and Spaid will talk, followed by discussion periods. Mr. Howell also will preside at the dinner meeting at which the toastmaster will be Mr. Morris and Mr. Joyce will talk.

### Cincinnati Hear F. B. I. Man

CINCINNATI—R. C. Suran, head of the F.B.I. local office, said that the bureau had a file of 16,000,000 finger print cards which was growing at the rate of 26,000 a day, in an address before the Cincinnati Fire Underwriters Association. The bureau has surveyed 1,200 plants in key industries as a preventive for sabotage and espionage and operates the most successful crime detection laboratory in the world, he said.

### Talks on Standard Policy

LOS ANGELES—A. M. Pfalzer, special agent London & Lancashire, addressed the Savings & Loan Club of Southern California on "Fire Insurance in Action," discussing the standard fire policy, the technicalities it contains and how these technicalities are being eliminated by the broad coverages the companies now are offering.

### Indianapolis Salvage Corps Meets

INDIANAPOLIS—C. C. Duck of the Spann Company agency, was re-elected president of the Indianapolis Salvage Corps at the annual meeting Monday. Other officers reelected are George R. Pritchett, American, vice-president; D. D. Fitzgerald, Commercial Union, treasurer, and Edwin H. Forry, Union Trust Company, secretary. Approximately 100 attended the meeting.

Charles Schoepner of the St. Thomas College faculty will speak on "The Background of Nazism," at the May 12 meeting of the Insurance Club of Minneapolis. The program is sponsored by the Chas. W. Sexton Co.

Henry G. Galster, secretary-treasurer of the Galster agency, Petoskey, Mich., was presented with an engraved wrist-watch in honor of his 25th anniversary, as an agent of Fidelity-Phenix. The presentation was made by State Agent R. J. Bothwell.

## New York State Federation Starts Membership Drive

NEW YORK—Under the leadership of R. S. Choate as general chairman, the spring membership drive of the Insurance Federation of the State of New York is now under way and will continue to June 30, its ultimate goal being a membership of 100,000, to include the rank and file workers in the insurance industry.

Divisional chairmen are: P. D. Kiernan, Rose & Kiernan, and E. S. Poole, Edward Poole & Co., vice-chairman, Albany area; F. Ackerman, past president, Binghamton; J. Ellsworth Buck, manager U. S. F. & G., Buffalo; G. W. Travis, Poughkeepsie; R. E. Consler, Rochester; A. Lawrence, Maryland Casualty, Syracuse; J. S. McClellan, president Knox & Meade and a past president of the federation, Troy.

In New York City General Chairman Choate has selected four chairmen, one for each line of insurance. L. T. Brown, secretary Continental, will handle fire insurance offices. C. P. Butler, assistant manager North America, marine; W. J. Thompson, Globe Indemnity, casualty. E. H. Hunt, the federation's new counsel, is temporary chairman for life insurance. General Chairman Choate is vice-president of American Automobile in New York.

### J. B. Miller Scans K. C. Preparations

Judge B. Miller of the headquarters staff of the National Association of Insurance Agents, arrived in New York this week after attending the mid-year convention at Oakland. En route home he made a visit in Kansas City in company with L. W. Garlich, member of the N.A.I.A. executive committee. The two men looked into the progress that has been made in preparing for the annual convention in Kansas City this fall.

### Tornado Group O. K.'s Merger

NEW YORK—Members of the Eastern Tornado Insurance Association at a special meeting here Tuesday approved the previously suggested merger of the

## Possibility of Market for Directors' Cover Is Waning

NEW YORK—Decision of the chief executives of American Surety not to write directors' liability insurance after having made an intensive study of the subject, means that if such indemnity is to be had at all, it will likely be from London Lloyds, for no organization in this country proposes taking it up so far as now appears. Indemnity of North America, Hartford Accident and Ocean Accident have studied the idea but each has concluded the business is too hazardous. A short time ago a Lloyds cover assumed the individual liability of a director in each of the several boards of which he was a member, but neither such individual coverage or that of board members as a whole, appeals to surety men as a sound underwriting proposition. Moreover, the problems now confronting company executives in connection with war defense propositions are so numerous and complex as to leave little time for delving into experimental realms.

## Data on Armed Services in Aetna Life Folder

Widespread interest in military and naval affairs throughout the country has prompted Aetna Life companies to publish a folder, "Who's Who and What's What in the Army, Navy and Marine Corps." It shows location of larger training camps and naval and marine stations, insignia of army corps and divisions, uniforms of army, navy and marine corps personnel, regimental standards and insignia, and shoulder and sleeve identifications of rank for all branches of the services.

The Aetna folder is believed to be the first of its kind showing uniforms, decorations and insignia in actual colors. Supplies are being furnished Aetna agents for distribution among clients and prospects.

## Agents to Share Michigan Cruise on Anniversary

DETROIT—To honor W. H. McBryan, manager of the U. S. F. & G. Detroit office, on his 40th anniversary with the company, about 300 agents, associates and friends will take the McBryan anniversary cruise June 6-8 on the Noronic to the Thirty Thousand Islands in Georgian Bay.

During Mr. McBryan's Florida vacation the office is conducting a production campaign under C. H. Hoffman, assistant manager of the Detroit office. Agents can qualify for a cruise by production of 25 items of new business between now and June 1.

## Mich. Liquor Line Is Switched

LANSING, MICH.—The state liquor control commission has cancelled burglary insurance on liquor stocks in warehouses and state stores and has placed the business with another insurer. The commission claims it will save \$4,137 in premiums in the next two years.

The commission came into Democratic control since last fall. Clyde B. Smith, Lansing, who has been active in Republican politics, had been awarded the line, placed six months ago with the U. S. F. & G. for a two-year term. Continental Casualty is now writing the line at a lower rate. Mr. Smith said that despite the rate deviation the short rate penalty will make the coverage cost \$400 more than under the U. S. F. & G. contract.

## Owenby Agency Moving to Miami

C. L. Owenby & Co., Inc., general agents in Florida for Bituminous Casualty, will move June 1 from Tallahassee to Miami, in the Security building. The new office is in conjunction with a new claim service office established May 1 by Bituminous with L. G. Lally as manager. Mr. Lally, law graduate of St.

Louis University, has practiced law in that city since 1928, specializing in casualty loss adjustment work.

P. J. Cesarano, vice-president of the agency, recently became manager when Carl L. Owenby, president, member of the reserve officers corps, was called for active army duty.

A. C. Supplee, manager of the Pittsburgh office of U. S. F. & G., will be honored June 12-13 when 200 agents and executives of the company give a party for him at Bedford Springs Hotel, Bedford, Pa., on occasion of Mr. Supplee's 40th anniversary with the company.

## Ponder Domestic Employee Forms

ST. PAUL—The Minnesota department is considering whether to accept for filing policy forms which would extend full medical and surgical aid to domestic employees under owner's, landlord's and tenant's liability coverage or other employers' liability policies.

Assistant Attorney-general Devitt has advised the department that it may authorize the writing of this type of insurance.

# COMPENSATION

## Confer on Tennessee Commissions

NASHVILLE, TENN.—W. M. Harris, Johnson City, president Tennessee Association of Insurance Agents; secretary R. T. Cawthon, Nashville; W. S. Keese Jr., Chattanooga; Allen Fisher, Memphis; W. D. Pettigrew, Knoxville and C. P. Edwards Jr., Kingsport—held a conference here with C. J. Haugh, actuary National Bureau of Casualty & Surety Underwriters, on proposed graded schedules for agents' compensation under the new Tennessee workmen's compensation law.

## Changes in Oklahoma Board

OKLAHOMA CITY—G. E. Fisher and C. W. Miller have resigned from the state industrial board. Governor Phillips indicated that he would accept the resignations and name as their successors Paul Pugh, Oklahoma City attorney, and Wylie Snow, attorney in the title division of the school land commission.

## Minnesota Bureau Elects

MINNEAPOLIS — At the annual meeting of the Minnesota compensation rating bureau the following companies were elected to the governing committee: Participating, Employers Mutual Liability; non-participating, U. S. F. & G.; rating committee, participating, American Mutual Liability; non-participating, London Guarantee & Accident. All were reelected.

## Self-Insurance Growing in Neb.

LINCOLN, NEB.—The state workmen's compensation bureau reports that 100 Nebraska employers, who have a gross yearly payroll of \$29,000,000 and 20,153 employees, now are carrying their own compensation risks. For the last six years there has been a consistent increase in the number of self-insurers.

# ASSOCIATIONS

## N. J. Casualty Luncheon

The Casualty Underwriters Association of New Jersey will hold a luncheon meeting in Newark, May 14. Plans will be announced for the association's annual outing.

## Western Mass. Claim Men Elect

SPRINGFIELD, MASS.—The Western Massachusetts Claim Adjusters Association at its annual meeting here, elected these officers: President, Joseph Beauchemin, Aetna; vice-president, Frank Gorman, Liberty Mutual; secre-

tary, C. A. Russell, Standard Accident; treasurer, Edwin Kundsinn, Travelers; executive committee, G. B. Smith, Monarch Life; T. L. Goggin, Lumbermen's Mutual; C. U. Hatch, Aetna; J. A. O'Reilly, Travelers, and R. Jandreau.

## Talks on Repairing Scars

V. B. Hyslop, plastic surgeon of Madison, Wis., gave a talk on plastic surgery and treatment for eradication and repair of scars at the meeting of the Southern Wisconsin Claims Association in Madison. He showed colored motion pictures of a number of traumatic cases. The next meeting will be held May 19. George M. Schlotthauer is president. The association has 30 members and holds monthly meetings.

## Tandy Heads Seattle Adjusters

SEATTLE—C. H. Tandy of the Fire Companies Adjustment Bureau was elected president of the Casualty Adjusters Association of Seattle at a luncheon meeting. John L. Noble, American Motorists, is vice-president, and Don Hoisington, Seeley & Co., secretary-treasurer.

John Martin, McCollister & Campbell, told of plans for the adjusters "All-Out Brawl," May 23.

Dr. James Berge, bone specialist, spoke on injuries to the lower back.

# COMPANIES

## Central Surety Reports Good Gains in Quarterly Exhibit

Central Surety of Kansas City has published its quarterly statement, showing important increases since the first of the year. Assets are now \$8,707,591, increase \$230,039; claim reserves \$2,600,527, increase \$151,542; premium reserve \$2,159,076, decrease \$4,876; capital \$1,000,000 and net surplus \$2,279,616, an increase of \$57,689 which was after payment of \$40,000 dividends.

Net premiums written the first three months were \$1,494,183, an increase of \$342,925 over the same period last year. A quarterly dividend of 40 cents a share has been declared payable May 15 to stock of record May 6.

## New Century Casualty Is Writing Liquor Liability

New Century Casualty this week broadened the lines which it writes by including liquor liability coverage and also O. L. & T., elevator, product, teams and general liability lines. New Century is using the old liquor liability rates that were in vogue before London Lloyds announced its increase of 25 percent recently. Fred Stokes, who is in charge of all underwriting, also is handling the new lines. The liability coverages will be written at manual rates.

Loyal Protective Life's spring get-together with general agents of the eastern states will take place in Boston May 7-10. On May 19-21 the supervisors and general agents of the central territory will meet in Chicago.

## May Protect Public, Not Pupils

COLUMBUS—Boards of education in Ohio may buy liability and property insurance protecting the general public from damages in negligent operation of school buses without providing insurance for injury to pupils, according to Attorney-general Herbert. Under the law as it was prior to an amendment in 1939, a board of education was required to include a clause in its policy covering injury or death of pupil passengers, the attorney-general said, but the amendment law struck out that phrase, on which several former attorneys-general had held that pupils as well as the public must be protected.

# PERSONALS

Rankin Martin, Standard Accident bonding department, is touring the southwest in the interests of his department. He addressed the Texas Association of Tax Collectors and Assessors in Houston May 6 on "Official Bonds."

J. B. Johnson of Aetna Casualty has just celebrated his 25th anniversary with the company. He was an adjuster at Greensboro until 1921 when he returned to Hartford as a home office representative. He became superintendent of the automobile department in 1933 and was elected assistant secretary in 1936.

H. R. Kendall, chairman of the board of the Washington National of Evans-ton, Ill., who has been off the reservation for a year or so owing to a severe affliction of his eyes, is now able to go to his office and spend two hours there each day. He was in Florida during the winter.

Paul A. Mason, claims superintendent at Seattle for the Employers' group, is recuperating from a spinal operation which he underwent some time ago. He was confined to a Seattle hospital for many weeks.

Otto Patterson, executive vice-president of American Automobile; Vice-president Don Session, Los Angeles, and Carleton S. Hines, superintendent of the automobile department at the head office, visited Seattle, conferring with Resident Vice-president J. R. Lawson.

W. C. Potter, chairman of Preferred Accident, during a recent trip to Orlando, Fla., visited at the adjoining community Winter Park. F. Robertson Jones, who retired as secretary of the Association of Casualty & Surety Executives in 1938 after more than 25 years of service. While far from being up to par physically, Mr. Jones is mentally alert and keenly interested in developments in the industry.

I. S. Benerd, Pacific Coast resident vice-president Inter-Ocean Casualty, San Francisco, is spending a few days at the home office in Cincinnati. Mr. Benerd has just returned from a two-month trip to South America.

Robert H. Lemcke, Newark manager of Seaboard Surety, has been named head of the air raid precautions wardens of the Newark Defense Council.

Albert Newman, well-known Kansas City banker, who died last week, for many years had been a director and chairman of the executive committee of the Central Surety. He had never missed a meeting of the directors or the committee except when prevented by illness or absence from the city.

## Seek to Overturn New Lawyers Law in Arkansas

A movement is under way in Arkansas to complete referendum petitions for submission of the so-called lawyers bill at the 1942 general election. If 15,000 signatures are obtained by June 12, the law will become ineffective until submitted to the general election. Insurance companies are supporting the referendum petition because under one feature of the lawyers bill the adjustment of claims would have to be handled by lawyers.

## Mo. Casualty Figures Corrected

In the April 10 issue in the table showing casualty net premiums and paid losses in Missouri in 1940, the total net premium figure for National Surety was reported as \$32,496. The correct figure for this company is \$261,007 divided as follows: Fidelity \$115,795; surety \$77,530; plate glass \$4,161 and burglary and theft, \$63,522. The state total as corrected now stands at \$30,468,046 while the fidelity-surety sum is now \$2,237,437; plate glass \$316,466 and burglary and theft \$662,137.

The loss figures as shown in the table are correct.



## Would Show Developed Loss Experience on Non-Can

NEW YORK—Addition of a developed loss experience table to the miscellaneous blank to determine how adequately reserves are being set up on non-cancellable accident & health business was among the recommendations adopted by the blanks committee of the National Association of Insurance Commissioners. Covering the first three years after the year in which the claim was incurred, the new table will do for non-can what Schedule P, Part 5, does for liability.

As each year's total of payments plus reserves for future payments is traced through its course, any appreciable rise would indicate under-reserving. The so-called class 3 disability table is considered adequate for claims a year or more old, though it is not customary to reserve so heavily on claims of shorter duration. The new table will show whether the change-over is being made from the short-term basis to class 3.

Chairman W. A. Robinson, actuary of the Ohio department, presided.

## Set \$20 Ia. Beer Bond Rate

DES MOINES—Premiums for class B beer permit bonds in Iowa have been set at \$20 under the form required by the new state beer law which is effective July 4. The new rate was set by the Townner bureau. The rate was \$5 less than had been expected. Previously \$7.50 was charged for \$1,000 bonds but under the new law the amount was dropped to \$500 but included a forfeiture.

The class C permit bonds are unchanged and remain at \$7.50 for \$1,000 bonds.

## Hargrave Forms Law Partnership

NEW YORK—H. W. J. Hargrave, prominently identified with insurance litigation for a number of years, in association with C. E. Elbert and A. C. Mole, has established the law firm of Hargrave, Elbert & Mole at 68 William street here. Within the past 20 years Mr. Hargrave has been connected successively with Indemnity of North America, National Bureau of Casualty & Surety Underwriters, Fireman's Fund Indemnity, New Jersey Claim Investigation Committee, and latterly as consultant for the Association of Casualty & Surety Executives.

## C. H. Peterson to Home Office

BALTIMORE—Charles H. Peterson, for the last eight years a member of the bonding department of Maryland Casualty in Philadelphia, has been transferred to be executive assistant in the bonding department at the home office. Mr. Peterson is the son of A. J. D. Peterson, manager of the bonding department for Maryland in Kansas City. He joined the company in Philadelphia in 1933.

## Mass. Auto Committee Elects

BOSTON—At the annual meeting of the Massachusetts automobile rating and accident prevention committee, these carriers were elected to the governing committee: Stock, Aetna Casualty, Employers Liability, Massachusetts Bonding, Preferred Accident and Travelers; non-stock, American Mutual Liability, Liberty Mutual, Lumbermen's Mutual Casualty, Merchants Mutual Casualty and Utica Mutual.

## Leslie Confers in Seattle

SEATTLE—William Leslie, general manager National Bureau of Casualty & Surety Underwriters, was in the Northwest en route home from the Oakland mid-year meeting of the National Association of Insurance Agents. He was accompanied to Seattle by Rollo E. Fay, Pacific Coast manager. They held a breakfast conference with the bureau's Washington advisory committee.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.

## Former Casualty Leader Returns to Army Ranks



WILLIAM P. CAVANAUGH

NEW YORK—William P. Cavanaugh, formerly assistant general solicitor of the claims bureau of the Association of Casualty & Surety Executives, has been made lieutenant-colonel of his old regiment, the 69th Regular New York National Guard. He served with the famous "Fighting Irish" during the world war and actively participated in every engagement of the A. E. F. from Chateau Thierry to the Meuse-Argonne. He received three citations for bravery and at the end of the war was placed on the officers' reserve list as major.

Col. Cavanaugh organized the claim department of the National Bureau of Casualty & Surety Underwriters in 1930 and saw it develop into a nationwide organization. He served as manager until 1938 when the department was reorganized as the claims bureau under the Association of Casualty & Surety Executives and he became assistant general solicitor. In 1939 Col. Cavanaugh resigned to resume his private law practice with offices at 49 Wall Street.

Col. Cavanaugh started his career as an engineer and worked on the engineering staff which constructed the East River tunnel from the Battery to Brooklyn. After making a trip to Canada to help raise the first ship ever salvaged by compressed air, he graduated from New York University law school.

He served with Casualty Company of America as investigator, adjuster, assistant solicitor and then general solicitor. He later joined Hartford Accident and as general attorney he organized the claim and legal department of that company.

As a member of the New York National Guard he was sent to the Mexican border in 1916. He returned to Hartford Accident, but five months later was a first lieutenant upon the entrance of the United States into the world war. Following his return from overseas Colonel Cavanaugh entered private law practice as a member of the firm of Keely & Connally where he remained until he joined the National Bureau.

## Excess Plan on Bond 22

As the new standard form No. 22 savings and loan blanket bond issued by surety companies for savings banks includes safe deposit liability coverage similar to that provided in bankers blanket bond No. 5, the burglary division of the National Bureau of Casualty & Surety Underwriters advises the coverage may be written excess and the same discounts allowed as applied to form 5. The discounts range from 5 percent for excess over \$10,000 to 60 percent for excess over \$1,000,000.

## Mutual Man Says Mutuals' Exemption Needs Restricting

WASHINGTON—Representatives of the insurance business last week appeared before the house ways and means committee on various phases of the insurance tax provisions of the revenue laws. The hearings are expected to be completed this week.

Amendments to the revenue code restricting deductions of premiums retained for losses and expense and reinsurance reserves by mutual insurance companies and more clearly defining the companies entitled to exemption were proposed by C. C. Chappelle on behalf of the Illinois Agricultural Association which, among other activities, has developed mutual companies writing hail, cyclone, casualty, fire and life insurance (Farmers Mutual Reinsurance Co., Illinois Agricultural Mutual, and Country Life), all of which confine their activities to Illinois.

Mr. Chappelle contended that the provisions of Sec. 207 afford so much latitude that mutual companies could easily control taxation and, he said, "it appears to our organization that if some restriction were provided in the law limiting the amount of this allowable deduction that a more equitable tax for all mutual insurance companies, other than life, would result." At present the same tax may be figured with several results because Sec. 207 is indefinite.

To correct the situation, he recommended that the total amount of premium deposits retained for the payment of losses, expenses, and reinsurance reserves be limited to 70 percent of the annual earned premium during the taxable year less the amount of interest received on tax exempt securities, in the case of fire, hail or cyclone mutuals; and to 35 percent of the annual earned premium less interest on tax exempt securities in the case of companies other than fire, hail, cyclone, marine and life.

He suggested also revision of Sec. 101(11) more clearly to classify companies entitled to exemption as those operating in a restricted area and whose activities are local in character. What is needed is a clear definition of "restricted area," so that companies could accurately determine whether or not they come within this classification.

## Md. Casualty Engineers Confer: Award Jensen Cup

BALTIMORE—The Maryland Casualty engineers' conference at the home office was addressed by E. J. Bond, Jr., president of the company, with Holger Jensen, manager of the engineering division, presiding. Among guest speakers was E. R. Grannis, industrial director, National Conservation Bureau, on "Casualty Companies' Position in National Defense." Among subjects discussed were industrial hygiene, new automobile and liability comprehensive policies, safety in pressure vessels, inspection of boilers, turbines and electrical machinery, boiler problems related to feed water and steam quality, and elevators.

David C. Gibson, vice-president and director of advertising, and J. McClure Gillet, vice-president and casualty director, also talked.

## End to Cullen Speculation

The announcement that Emil Schram, chairman of the Reconstruction Finance Corporation, has been selected as the new president of the New York Stock Exchange, puts at rest the speculation that Vincent Cullen, president of National Surety, might be named to this position. Mr. Cullen's name was mentioned as a possibility by Walter Winchell in his broadcast April 27.

Loyal Protective Life has appointed F. H. McCall as general agent for Connecticut. Mr. McCall will make his headquarters in Hartford.

## LATE FIRE NEWS

### Revise Washington Short Rate Table

SEATTLE—The Washington Surveying & Rating Bureau has adopted a new short rate table, similar to the so-called Western Union table used in most middle western states. This is the first deviation from the Pacific Board table put into effect for fire business on the Pacific Coast.

For annual policies, the new table shows a percentage for each day, while the Pacific Board table changes at five day intervals after the first 20 days and at 15 day intervals from the fourth through the eleventh month.

### Term Cancellations

Cancellation in the first year of a term policy is now calculated by reducing the premium to an annual basis and applying the proper factor from the annual short rate table. Term policies which have run more than one year are cancelled by a separate term table, with fractions of a month not exceeding 15 days being disregarded and fractions exceeding 15 days being counted an additional month, based upon the full term premium. Under the Pacific Board table, all cancellations are calculated upon the full term premium applied to a term short rate table, at two month intervals.

Observers do not think it likely that the new table will be adopted in other Pacific Coast states in the near future, because it is designed for term policies written at a full annual premium for the first year and 75 percent of an annual premium for each year thereafter. Most Washington term business is on this basis, but other Pacific Coast states have different rules for various classes of business, such as two annual premiums for three year policies.

### Other Rule Changes

Other changes include clarification of the rule relating to cease operations permits for sprinklered risks to require continuation of full sprinkler and watchman service, rewording of the rule on coverage will be included from the operation of building laws so that coverage will be included for the additional cost of repair or reconstruction and a new provision for the fallen building clause waiver charge for oil reservoirs without roofs. There is a new mandatory lighting and electrical apparatus clause for public service, light, power and traction risks, replacing the old optional clause.

Fire department service charge coverage may no longer be written if an organized fire department is maintained in the locality where the risk is situated. Harvesting machinery, boats and cotton are excluded and library furniture and books in branch libraries are included in an amendment to the floater policy rule.

Oil insurance rules and rates now provide that the inherent explosion clause may be attached to policies covering reservoirs and contents, and the definition of wholesale oil and gas distributing stations has been amended to exclude plants principally supplying stove oils or gasoline direct to the ultimate consumer. Rates for drilling tools have been revised. Rates and rules are provided in the use and occupancy tariff for insurance against loss of personal income from salaries or commissions.

### Allemania 73 Years Old

PITTSBURGH—The Allemania Fire has just celebrated its 73rd anniversary. It was the first stock fire company incorporated in Pittsburgh.

At the Sioux Falls, S. D., Blue Goose luncheon the speaker was Rev. Philip Johnson of the First Baptist Church of Sioux Falls, who pleaded for intervention in aid to Britain.

## Lehman Signs Page-Anderson Bill

(CONTINUED FROM PAGE 23)

Mortimer E. Sprague, vice-president of Home of New York, issued a statement this week in his capacity as chair-



M. E. SPRAGUE

man of the insurance section of the New York Board of Trade. He extended congratulations to the many organizations that took an active interest in the support of the Page-Anderson bill. Had it not been for their teamwork and splendid assistance, he said, it is likely that New York "would have suffered from all inequities of compulsory automobile insurance."

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"It makes it impossible for anyone to continue to drive after an accident, unless, and until, he has paid the damages," the display reads. "In addition, he must furnish insurance for the future. The law applies to all cars involved in an accident causing property damage in excess of \$25 or any personal injury."

"Failure to produce insurance—even after a small accident—will result in the loss of your driving rights for the balance of your life. After Jan. 1, the uninsured autoist will be in a tight spot. Get your insurance now at the present low rates in sound, capital stock insurance companies."

The advertisement carried the names of member agencies of the Underwriters Board.

### Move Office to Kansas City, Mo.

KANSAS CITY—The branch office of the Pennsylvania Casualty covering Kansas, Oklahoma and western Missouri, has been moved from Kansas City, Kan., to 800 Insurance Exchange, Kansas City, Mo. J. B. Jones is manager. Norris Lyons, vice-president and general manager, and P. C. Baylor from the Chicago branch office, attended the opening of the new offices, and also attended the American Trucking Association convention here.

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**WHITNEY & MILLER**  
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All Lines  
LaSalle State Bank Bldg., LaSalle, Illinois  
Covering Central Northern Illinois

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Established 1923  
Licensed and Bonded  
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HUNTINGTON, W. VA. WHEELING, W. VA.  
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Bank Bldg. Trust Building  
CHARLESTON, W. VA.  
Capitol City Building  
PARKERSBURG, W. VA.  
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Branch Offices: Antigo and Madison



# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Mich. Agents Want Personal Property Floater Writing Under Department Control

LANSING, MICH.—The executive committee of the Michigan Association of Insurance Agents, meeting here to discuss legislative matters, decided to seek amendment of the bill now in the senate insurance committee which would legalize the personal property floater in Michigan. It was the consensus that the bill should contain a provision that this class of business should be written under the anti-discrimination law, with rates thus uniform and subject to departmental control the same as regular fire lines.

#### Want to Prevent Rate War

It was pointed out during the session, at which David A. Forbes, Grand Rapids, association president, presided, that the resolution adopted at the mid-year meeting here in February, in which legalization of the personal property floater was favored, contained a proviso that the anti-discrimination law should apply. This safeguard, it was conceded, is essential to prevent an immediate rate war among the fire companies should this new line be opened for development in Michigan.

Whether the companies will accept the proposed amendment gracefully or will throw their influence toward defeating the measure rather than having it enacted in regulated form appeared problematical. Observers noted that if the personal property floater is brought under the anti-discrimination act it will affect all inland marine lines in the same way, since the floater would be legalized by amendment of the inland marine section of the insurance code.

### Viehmnn Is Campaigning Against Unlicensed Brokers

INDIANAPOLIS — Commissioner Viehmnn has begun an active campaign against the writing of insurance on property in Indiana through unlicensed outside brokers, who get control of Indiana business and send policies into the state to be countersigned by authorized agents.

He is satisfied that there is enough of this underground business to justify drastic action by the department and he is accumulating information as to violations. He has asked companies operating in the state to submit lists of outside brokers with whom they have dealt in handling business in the state during the past five years. Already his efforts have met with success and a number of companies have had to appear before the commissioner in response to notices. Several companies have submitted to the filing of suits against them and have paid fines that were assessed. There are like cases pending and it is the intention of the commissioner to make the practice so unpopular that it will be stopped.

#### Home Agent Responsible

When an agent is asked to countersign a policy for an outside broker it is his responsibility to satisfy himself that such broker has complied with the requirements of the Indiana statutes in such cases and is duly licensed to handle such business, Mr. Viehmnn stated. "The purpose of the law permitting agents so to sign is to constitute those so doing as protectors against illegal practices. It is not intended that the countersigning of policies is just an empty gesture for which the agent is to

receive 5 percent commission. He is expected to earn even that 5 percent by exercising his authorized police duty, if it might be called that."

#### Defense Topics at Ind. Fire School

The annual Indiana fire school offered under direction of Purdue University, the Indiana Inspection Bureau and the Indiana fire marshal's department will be held at Purdue University, Lafayette, Ind., June 3-6. Representatives of plant protection departments of industries are included with those who attend this school.

Subjects to be presented include: "Indiana's Defense Program," "How to Handle Arson Cases," "Industries' Responsibility in Plant Protection," "Cooperation Between City Fire Department and Plant Protection Organizations," "Industrial Inspection," "Analyzing the Job of Plant Protection," "Fire Fighting Tactics," "Organization of a Plant Protection Program," "Industrial Fire Alarm Systems," "Importance of Intelligent Plant Protection," "Cooperation between Protective Agencies and the F. B. I."

#### Wisconsin Short Course Plans

MILWAUKEE — Plans have been announced by the Wisconsin Association of Insurance Agents for a short course insurance school to be held early in August at the University of Wisconsin at Madison. Those who enroll will live in the dormitories at the university. Prof. Erwin Gaumnitz, insurance instructor in the school of commerce at the university, will head the staff. Those successfully completing the course and final examination will receive a short course diploma signed by the dean of the school. Members of the association and their employees are eligible, and the fee of \$25 will include tuition, room, meals, entertainment and use of all university recreational facilities.

#### Prepare for Kansas Convention

SALINA, KAN.—Officers of the Salina Insurance Board will meet soon with Secretary Wade Patton of the Kansas Association of Insurance Agents to line up preliminary plans for the Kansas convention here Sept. 24-26. Committees already appointed by President Cravens of the Salina Board include: General chairman, Dan Bolen, Spradley-Bolen Agency; program, John Vorse, Eberhardt-Fitzpatrick Agency; reservations, Roy Omer; speakers, L. C. Housel. The Hutchinson Insurance Women have been assigned the ladies program.

Elections of Salina's Insurance Board and Insurance Women will be held at their May meetings.

#### Elgin-Aurora Field Day June 6

The Elgin-Aurora Field Day will be held at the St. Charles Country Club, St. Charles, Ill., June 6. Luncheon will be served with a golf tournament in the afternoon followed by dinner and awarding of prizes to golfers and non-golfers. Reservations are to be made with Miss Hazel Jones, secretary Elgin Association of Insurance Agents, Hubbard building, Elgin, Ill. This is the fifth field day for the associations.

#### Ohio Mid-Year Features U. & O.

The tentative program for the mid-year meeting of the Ohio Association of Insurance Agents, May 15, in Columbus, calls for a skit in the morning on use and occupancy by the Stock Fire Insurance Speakers Association of Ohio, followed by a discussion and open forum on the same subject headed by Kermit

Hill, Springfield Fire & Marine. A short business meeting will be held at 11:30.

R. C. Suran of the Federal Bureau of Investigation, Cincinnati, will be the principal luncheon speaker.

The late R. J. Follon, prominent insurance attorney of Chicago, had been secured to speak in the afternoon on "War Coverage." Since his death, that part of the program has not yet been fully decided upon.

State-wide interest among agents in legislative matters is expected to induce an unusually large attendance this year.

#### Need More Michigan Examiners

Frank Cardero made his first appearance on the platform since being appointed deputy commissioner of Michigan, at the meeting of the Detroit Association of Insurance Agents, at which Frank L. Erion, Chicago, was the principal speaker. Mr. Cardero said that Michigan is the port of entry for all Canadian companies operating in the United States, yet the Michigan insurance department has only seven examiners. He said the department has asked the legislature for an increased appropriation so as to support a larger staff, including more investigators.

P. J. Moriarty, retiring Detroit manager of North British & Mercantile, spoke briefly. Edwin S. Kärer presided.

#### Fit Flushers for Fire Fighting

LANSING, MICH.—The Lansing fire department has fitted up three street flushers with fire hose fittings, making it possible to use them as auxiliary fire-fighters, particularly in territory lacking hydrant connections. The trucks, with a combined water capacity of 5,900 gallons, have powerful pumps capable of delivering potent streams against fires. In a recent demonstration the three trucks emptied their tanks in a trifle over 10 minutes, delivering streams of water with sufficient force to throw them several hundred feet.

#### Buckeye Union Parley Held

INDIANAPOLIS — Seventy agents of the Buckeye Union Fire and Buckeye Union Casualty met here for a sales conference. Present from the home office were F. E. Jones, Jr., president; A. R. Gibson, vice-president and general manager of the fire company; John Dodd, fire underwriter, and S. W. Schellenger, sales and promotion manager. Preliminary arrangements for the meeting were made by L. J. Pierce, Indianapolis manager, and W. F. Woodard, Indiana special agent.

#### Missouri Brokers Not Employes

JEFFERSON CITY, MO.—The unemployment compensation commission of Missouri holds that brokers associated with general insurance agents may not be considered employees of such agents. An application for such exemption had been made by St. Louis brokers.

The commission found that the broker is the representative of the assured, none of them have any financial or other interests in the agencies and none receive wages or salary from any insurance agent from whom they buy insurance.

#### Underwriters Adjusting Shifts

A. B. Barber, manager of the Underwriters Adjusting in Gary, Ind., has resigned and has bought the G. C. Rogge agency there. Roger L. Brown, who has been manager in Rockford, Ill., succeeds Mr. Barber in Gary.

#### Kansas Women Plan Get-Together

Kansas insurance women from the four associations in Topeka, Salina, Hutchinson and Wichita will hold a

### Nevitt Agency Observes Its 75th Anniversary

OSHKOSH, WIS.—Established by the late Charles R. Nevitt in 1866, the Nevitt Agency is observing its 75th anniversary. It was founded shortly after Mr. Nevitt returned from service in the Civil War, when he became agent for the Phoenix of Hartford, Liverpool & London & Globe, Republic, Continental, Albany City, Buckeye of Cleveland, Travelers, Connecticut Mutual, Hartford Livestock, Phenix, Yonkers & New York and Detroit Fire & Marine.

Four sons, Robert, Charles, John and William, later joined their father in the business. From 1871 to 1875, George H. Read was associated and the agency was known as Nevitt & Read. In 1887 John West was taken into partnership and West & Nevitt was formed. In 1906 L. S. Tuttle joined the firm, which became West, Nevitt & Tuttle Co., and in 1917 Henry Henkel replaced Mr. Tuttle in the firm and name, and from 1922 to 1925 Seth Ashton was affiliated.

When John West became inactive, his wife, the late Mrs. Myrtle B. West, became the executive officer of the agency and continued until 1934 when her interests were acquired by George P. Nevitt, grandson of the founder, who became a partner of the founder's son, Charles Nevitt. In 1937 the present name, Nevitt Agency, was adopted.

joint get-together and outing the week May 17-18 at Camp Bi-da-wee on the Little Arkansas river, about ten miles north of Wichita, the first attempted for Kansas women. Arrangements are in the hands of the Wichita women.

Featured will be an insurance "quiz" program, with a prize for the association whose members make the best showing.

#### Duffey Columbus Assistant

Bernard T. Duffey, Jr., has been advanced by Underwriters Adjusting to assistant manager at Columbus, O. He was born in Rockford, Ill., educated in Detroit and at Baldwin Wallace College, Berea, O., where he received an LL. B. degree. He practiced law in Cleveland for about 25 years, specializing primarily in fire insurance law. He joined Underwriters Adjusting in 1939. He and his family have maintained their home in Chagrin Falls, O., for many years.

#### Rate Violations in Indiana

Charged with violation of the rating laws, Millers National, Royal Exchange and Knickerbocker under an agreement with Commissioner Viehmnn of Indiana pleaded guilty and paid fines of \$200 and costs in the Marion county criminal court at Indianapolis. The alleged violation involved the non-resident agency law.

#### Minn. Federation Meets June 23

The annual meeting of the Insurance Federation of Minnesota will be held in St. Paul, June 23, the executive committee announced this week.

#### Two Minnesota Regional Meets

Two Minnesota regional association meetings are set for next week, the northwest at Crookston May 14 and the central at St. Cloud May 15.

#### Educational Meeting in Zanesville

An educational meeting sponsored by the Zanesville Insurance Board was held in Zanesville, O., with 50 in attendance, including agents from Cambridge and New Lexington. V. G. Martin, Columbus, secretary Ohio Association of Insurance Agents, discussed agency relationships and gave detailed information

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Mich. Agents Want Personal Property Floater Writing Under Department Control

LANSING, MICH.—The executive committee of the Michigan Association of Insurance Agents, meeting here to discuss legislative matters, decided to seek amendment of the bill now in the senate insurance committee which would legalize the personal property floater in Michigan. It was the consensus that the bill should contain a provision that this class of business should be written under the anti-discrimination law, with rates thus uniform and subject to departmental control the same as regular fire lines.

#### Want to Prevent Rate War

It was pointed out during the session, at which David A. Forbes, Grand Rapids, association president, presided, that the resolution adopted at the mid-year meeting here in February, in which legalization of the personal property floater was favored, contained a proviso that the anti-discrimination law should apply. This safeguard, it was conceded, is essential to prevent an immediate rate war among the fire companies should this new line be opened for development in Michigan.

Whether the companies will accept the proposed amendment gracefully or will throw their influence toward defeating the measure rather than having it enacted in regulated form appeared problematical. Observers noted that if the personal property floater is brought under the anti-discrimination act it will affect all inland marine lines in the same way, since the floater would be legalized by amendment of the inland marine section of the insurance code.

### Viehmnn Is Campaigning Against Unlicensed Brokers

INDIANAPOLIS — Commissioner Viehmnn has begun an active campaign against the writing of insurance on property in Indiana through unlicensed outside brokers, who get control of Indiana business and send policies into the state to be countersigned by authorized agents.

He is satisfied that there is enough of this underground business to justify drastic action by the department and he is accumulating information as to violations. He has asked companies operating in the state to submit lists of outside brokers with whom they have dealt in handling business in the state during the past five years. Already his efforts have met with success and a number of companies have had to appear before the commissioner in response to notices. Several companies have submitted to the filing of suits against them and have paid fines that were assessed. There are like cases pending and it is the intention of the commissioner to make the practice so unpopular that it will be stopped.

#### Home Agent Responsible

When an agent is asked to countersign a policy for an outside broker it is his responsibility to satisfy himself that such broker has complied with the requirements of the Indiana statutes in such cases and is duly licensed to handle such business. Mr. Viehmnn stated. "The purpose of the law permitting agents so to sign is to constitute those so doing as protectors against illegal practices. It is not intended that the countersigning of policies is just an empty gesture for which the agent is to

receive 5 percent commission. He is expected to earn even that 5 percent by exercising his authorized police duty, if it might be called that."

#### Defense Topics at Ind. Fire School

The annual Indiana fire school offered under direction of Purdue University, the Indiana Inspection Bureau and the Indiana fire marshal's department will be held at Purdue University, Lafayette, Ind., June 3-6. Representatives of plant protection departments of industries are included with those who attend this school.

Subjects to be presented include: "Indiana's Defense Program," "How to Handle Arson Cases," "Industries' Responsibility in Plant Protection," "Cooperation Between City Fire Department and Plant Protection Organizations," "Industrial Inspection," "Analyzing the Job of Plant Protection," "Fire Fighting Tactics," "Organization of a Plant Protection Program," "Industrial Fire Alarm Systems," "Importance of Intelligent Plant Protection," "Cooperation between Protective Agencies and the F. B. I."

#### Wisconsin Short Course Plans

MILWAUKEE — Plans have been announced by the Wisconsin Association of Insurance Agents for a short course insurance school to be held early in August at the University of Wisconsin at Madison. Those who enroll will live in the dormitories at the university. Prof. Erwin Gaumnitz, insurance instructor in the school of commerce at the university, will head the staff. Those successfully completing the course and final examination will receive a short course diploma signed by the dean of the school. Members of the association and their employees are eligible, and the fee of \$25 will include tuition, room, meals, entertainment and use of all university recreational facilities.

#### Prepare for Kansas Convention

SALINA, KAN.—Officers of the Salina Insurance Board will meet soon with Secretary Wade Patton of the Kansas Association of Insurance Agents to line up preliminary plans for the Kansas convention here Sept. 24-26. Committees already appointed by President Cravens of the Salina Board include: General chairman, Dan Bolen, Spradley-Bolen Agency; program, John Vorse, Eberhardt-Fitzpatrick Agency; reservations, Roy Omer; speakers, L. C. Housel. The Hutchinson Insurance Women have been assigned the ladies program.

Elections of Salina's Insurance Board and Insurance Women will be held at their May meetings.

#### Elgin-Aurora Field Day June 6

The Elgin-Aurora Field Day will be held at the St. Charles Country Club, St. Charles, Ill., June 6. Luncheon will be served with a golf tournament in the afternoon followed by dinner and awarding of prizes to golfers and non-golfers. Reservations are to be made with Miss Hazel Jones, secretary Elgin Association of Insurance Agents, Hubbard building, Elgin, Ill. This is the fifth field day for the associations.

#### Ohio Mid-Year Features U. & O.

The tentative program for the mid-year meeting of the Ohio Association of Insurance Agents, May 15, in Columbus, calls for a skit in the morning on use and occupancy by the Stock Fire Insurance Speakers Association of Ohio, followed by a discussion and open forum on the same subject headed by Kermit

Hill, Springfield Fire & Marine. A short business meeting will be held at 11:30.

R. C. Suran of the Federal Bureau of Investigation, Cincinnati, will be the principal luncheon speaker.

The late R. J. Follon, prominent insurance attorney of Chicago, had been secured to speak in the afternoon on "War Coverage." Since his death, that part of the program has not yet been fully decided upon.

State-wide interest among agents in legislative matters is expected to induce an unusually large attendance this year.

#### Need More Michigan Examiners

Frank Cardero made his first appearance on the platform since being appointed deputy commissioner of Michigan, at the meeting of the Detroit Association of Insurance Agents, at which Frank L. Erion, Chicago, was the principal speaker. Mr. Cardero said that Michigan is the port of entry for all Canadian companies operating in the United States, yet the Michigan insurance department has only seven examiners. He said the department has asked the legislature for an increased appropriation so as to support a larger staff, including more investigators.

P. J. Moriarty, retiring Detroit manager of North British & Mercantile, spoke briefly. Edwin S. Kajer presided.

#### Fit Flushers for Fire Fighting

LANSING, MICH.—The Lansing fire department has fitted up three street flushers with fire hose fittings, making it possible to use them as auxiliary fire-fighters, particularly in territory lacking hydrant connections. The trucks, with a combined water capacity of 5,900 gallons, have powerful pumps capable of delivering potent streams against fires. In a recent demonstration the three trucks emptied their tanks in a trifle over 10 minutes, delivering streams of water with sufficient force to throw them several hundred feet.

#### Buckeye Union Parley Held

INDIANAPOLIS — Seventy agents of the Buckeye Union Fire and Buckeye Union Casualty met here for a sales conference. Present from the home office were F. E. Jones, Jr., president; A. R. Gibson, vice-president and general manager of the fire company; John Dodd, fire underwriter, and S. W. Schellenger, sales and promotion manager. Preliminary arrangements for the meeting were made by L. J. Pierce, Indianapolis manager, and W. F. Woodward, Indiana special agent.

#### Missouri Brokers Not Employes

JEFFERSON CITY, MO.—The unemployment compensation commission of Missouri holds that brokers associated with general insurance agents may not be considered employees of such agents. An application for such exemption had been made by St. Louis brokers.

The commission found that the broker is the representative of the assured, none of them have any financial or other interests in the agencies and none receive wages or salary from any insurance agent from whom they buy insurance.

#### Underwriters Adjusting Shifts

A. B. Barber, manager of the Underwriters Adjusting in Gary, Ind., has resigned and has bought the G. C. Rogge agency there. Roger L. Brown, who has been manager in Rockford, Ill., succeeds Mr. Barber in Gary.

#### Kansas Women Plan Get-Together

Kansas insurance women from the four associations in Topeka, Salina, Hutchinson and Wichita will hold a

### Nevitt Agency Observes Its 75th Anniversary

OSHKOSH, WIS.—Established by the late Charles R. Nevitt in 1866, the Nevitt Agency is observing its 75th anniversary. It was founded shortly after Mr. Nevitt returned from service in the Civil War, when he became agent for the Phoenix of Hartford, Liverpool & London & Globe, Republic, Continental, Albany City, Buckeye of Cleveland, Travelers, Connecticut Mutual, Hartford Livestock, Phenix, Yonkers & New York and Detroit Fire & Marine.

Four sons, Robert, Charles, John and William, later joined their father in the business. From 1871 to 1875, George H. Read was associated and the agency was known as Nevitt & Read. In 1887 John West was taken into partnership and West & Nevitt was formed. In 1906 L. S. Tuttle joined the firm, which became West, Nevitt & Tuttle Co., and in 1917 Henry Henkel replaced Mr. Tuttle in the firm and name, and from 1922 to 1925 Seth Ashton was affiliated.

When John West became inactive, his wife, the late Mrs. Myrtle B. West, became the executive officer of the agency and continued until 1934 when her interests were acquired by George P. Nevitt, grandson of the founder, who became a partner of the founder's son, Charles Nevitt. In 1937 the present name, Nevitt Agency, was adopted.

joint get-together and outing the week May 17-18 at Camp Bi-da-wee on the Little Arkansas river, about ten miles north of Wichita, the first attempted for Kansas women. Arrangements are in the hands of the Wichita women.

Featured will be an insurance "quiz" program, with a prize for the association whose members make the best showing.

#### Duffey Columbus Assistant

Bernard T. Duffey, Jr., has been advanced by Underwriters Adjusting to assistant manager at Columbus, O. He was born in Rockford, Ill., educated in Detroit and at Baldwin Wallace College, Berea, O., where he received an LL. B. degree. He practiced law in Cleveland for about 25 years, specializing primarily in fire insurance law. He joined Underwriters Adjusting in 1939. He and his family have maintained their home in Chagrin Falls, O., for many years.

#### Rate Violations in Indiana

Charged with violation of the rating laws, Millers National, Royal Exchange and Knickerbocker under an agreement with Commissioner Viehmnn of Indiana pleaded guilty and paid fines of \$200 and costs in the Marion county criminal court at Indianapolis. The alleged violation involved the non-resident agency law.

#### Minn. Federation Meets June 23

The annual meeting of the Insurance Federation of Minnesota will be held in St. Paul, June 23, the executive committee announced this week.

#### Two Minnesota Regional Meets

Two Minnesota regional association meetings are set for next week, the northwest at Crookston May 14 and the central at St. Cloud May 15.

#### Educational Meeting in Zanesville

An educational meeting sponsored by the Zanesville Insurance Board was held in Zanesville, O., with 50 in attendance, including agents from Cambridge and New Lexington. V. G. Martin, Columbus, secretary Ohio Association of Insurance Agents, discussed agency relationships and gave detailed information

on legislative processes. T. M. Lynn, second district trustee, spoke briefly. Mr. Martin will address the Marietta agents May 9.

#### NEWS BRIEFS

W. W. Russel, secretary-treasurer of the General Agency Company, Mt. Pleasant, Mich., has been appointed by Governor Van Wagoner as a member

of the Mackinac Island state park commission.

Clyde B. Helm, secretary Insurance Federation of Minnesota, reviewed legislative results at a luncheon meeting of the Twin City Mutual Insurance Club.

David Neiswanger of the Neiswanger Investment Co. agency has been elected president of the Topeka chamber of commerce.

## IN THE SOUTHERN STATES

### Arkansas Agents Prepare Program

The program has been completed for the annual meeting of the Arkansas Association of Insurance Agents at the Arlington Hotel, Hot Springs, May 16-17. L. H. Derby of Warren is president. L. W. Garlich, St. Joseph, Mo., National Association of Insurance Agents executive committeeman, will represent that body. Wellington Potter of Rochester, N. Y., well known inspirational, dynamic, hard hitting speaker, will be one of the chief speakers. He has appeared before many bodies. Commissioner Graves of Arkansas will be a speaker.

#### Tribute to National Board

J. C. McKenzie, National Board special agent, Little Rock, will speak about the National Board and what it has done, especially in Arkansas. Prof. C. H. Fernald of the University of Arkansas will tell something about the insurance course to be held there Aug. 4-8. On the night of May 16 there will be the usual banquet followed by a dance. Anderson & Newell, Little Rock general agents, will entertain visiting ladies at a luncheon May 16. The program is:

Registration.  
Meeting called to order, President L. H. Derby.  
Invocation, Dr. Homer T. Fort, pastor First Methodist Church, Hot Springs, Ark.  
Welcome, O. Clayton Smith, president

### Heads Convention Workers for Texas Agents' Rally



FRED MALLINSON

Fred Mallinson of Dallas is general chairman of the convention committee for the annual meeting of the Texas Association of Insurance Agents in his city next Thursday and Friday.

Hot Springs Insurance Exchange, Hot Springs, Ark.

Greetings from Arkansas Fieldmen's Club, M. R. Smith, general agent Loyalty Group, Little Rock.

Annual report of president, L. H. Derby, L. H. Derby Agency, Warren, Ark. Annual report of secretary-manager, C. C. Mitchener, Mitchener Insurance Service, Marianna, Ark.

Address, "Insurance Preparedness," Lorren W. Garlich, member executive committee National Association of Insurance Agents, St. Joseph, Mo.

Appointment of committees.

Adjourn for lunch.

#### Afternoon Session

Address, Commissioner Graves of Arkansas.

Address, "Are We Mugwumps?" Wellington "Duke" Potter, local agent of Rochester, N. Y.

Discussion.

Annual banquet and dance.

Address, "Work of the National Board of Fire Underwriters in Arkansas," Jack C. McKenzie, special agent National Board, Little Rock.

Address, "The Second Arkansas Insurance School," Chas. H. Fernald, college of business administration University of Arkansas, Fayetteville.

Unfinished business.

Report of resolutions committee.

Report of nominations committee.

Election of officers.

Adjournment.

### South Carolina Program Announced

The South Carolina Association of Insurance Agents has just about completed its program for the annual convention, to be held at the Poinsett Hotel, Greenville, June 5-6.

Speakers are: Payne H. Midyette, Tallahassee, Fla., president National Association of Insurance Agents; Vincent Cullen, president National Surety; J. M. Bugbee, assistant manager automobile department Maryland Casualty, Baltimore; Manley Stockton, assistant manager Hartford Fire, Atlanta, and S. W. Kenan, assistant superintendent Fireman's Fund, Atlanta.

An "Information Please" program will be a special feature of the meeting on the following topics: Fire, marine, automobile liability, and fidelity bonds. A banquet will be held June 5, followed by entertainment and dancing.

An entertainment program for the ladies has been planned, which includes a visit to the Vanderbilt estate and lunch at Grove Park Inn, Asheville, N. C.

J. M. Richardson of Hartsville is president and Henry A. Brown of Columbia is manager of the state association.

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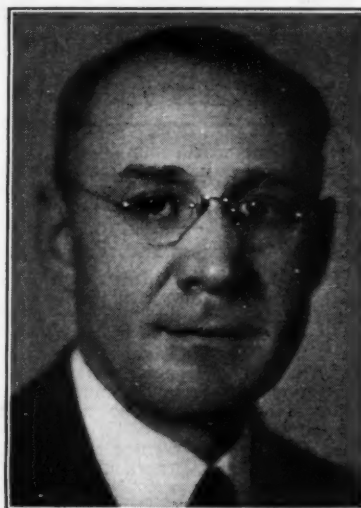
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## On the Job



S. G. OTSTOT

S. G. Otstot, Raleigh, N. C., executive secretary of the North Carolina Association of Insurance Agents, is a busy man this week, as the annual meeting was held in Pinehurst.

### Cancelling State Insurance in Tennessee Criticised

MEMPHIS, TENN. — Action of Governor Cooper in cancelling fire insurance on state owned property and his attitude toward insurance on public property is strongly criticised in an article in the Memphis "Commercial Appeal," written by Paul Morris, a Nashville reporter. Schedules cancelled included \$1,554,600 on Brushy Mountain Prison at Petros, Central State Hospital and Home for Feeble Minded at Nashville. These cancellations, on a three-year basis, represented \$75,000 in premiums.

Mr. Morris stated that a proposal by a group of Tennessee agents to renew the schedule which was cancelled in February on a three-year basis at a premium cost of \$59,000 (instead of the previous \$75,000) was rejected by the governor's office.

He lists 14 state buildings, with their value including six state highway garages with additional fire hazards from gasoline, etc., without any coverage whatever. On the list are Western State Hospital, \$1,135,200; supreme court building, Knoxville, \$504,800; new state office building, Nashville, (in which the insurance department is located) \$750,000.

Last October the governor authorized placing of insurance amounting to \$4,855,300 on 13 state educational insti-

tutions on a three-year basis but later reduced it to one year. This will be up for renewal in October and local agents expect it to be cancelled also.

### Give Virginia Convention Plans

Theme of the annual meeting of the Virginia Association of Insurance Agents in Roanoke May 22-24 will be unity, strength and vigilance. The Association of Stock Fire & Casualty Insurance Agents of Roanoke will be host. Heading the convention committee of the board is Harvey B. Gray. B. B. Burroughs, Norfolk, president of the Virginia association, will open the convention. C. W. Darden, Jr., Norfolk, candidate for governor and former congressman, will speak, in addition to those already announced. The directors will meet May 9 in Norfolk to put finishing touches on plans for the convention.

### List More Oklahoma Speakers

OKLAHOMA CITY—Speakers for the annual meeting of the Oklahoma Association of Insurers here May 16-17, in addition to those already announced, will include Terrell Woosley, Lake Charles, La., member of the executive committee of the National Association of Insurance Agents, and Richard Kingsley, director of public relations National Aid Life of Oklahoma City, on "Safeguarding the Independence of American Business."

As an added attraction for the ladies a fashion revue has been arranged.

### Lloyds America Liquidation

Lloyds America of San Antonio, which is in process of liquidation, has had claims filed in excess of \$3,000,000. Certain preferred claims were settled and then a 5 percent dividend was paid to general creditors as of July 1, last year. Some of the assets are not liquid. There is considerable invested in Texas real estate and there are demand and mortgage notes, on which suits are pending. In some states where Lloyds was licensed, special deposits are made for separate liquidation of claims. Therefore, payments to creditors have not been on the same percentage basis.

### Oklahoma Office Closed

The Oklahoma office of the Cotton Insurance Association has been discontinued and the Oklahoma business is being handled through E. R. Choen of the Dallas office. H. T. Lochridge, former Oklahoma state agent, has been transferred to the coast, in charge of California and Arizona.

#### NEWS BRIEFS

E. T. DeJarnette of DeJarnette & Paul, Richmond, chairman of the board of the Virginia Association of Insurance Agents, is a candidate for the legislature. A. E. Cox of Cox & Goodridge, Danville, Va., also has come out for the legislature.

A. H. Apperson, of the district engi-

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neering office of the S. E. U. A. in Richmond, has just completed 40 years with that organization. He was presented with a silver loving cup last week by the Richmond chapter of the International Association of Electrical Inspectors.

Naomi Vickers is new president of the Insurance Women's Club of Tulsa, Okla., with Ina Rogers, first vice-president; Rubye Nixon, second vice-president; Evelun Smythe, third vice-president; Inez Shuffler, secretary; Zena Hill, treasurer.

E. P. Goetzinger, Texas special agent for Indiana Lumbermen's Mutual, has now been able to return to his Dallas headquarters after an absence of more than a month following an operation.

J. R. Wright, manager of H. J. Drane & Son, Lakeland, Fla., is in charge of

the Lakeland housing program of the Association of Retired Railway Men, one of the big building movements of the state, and is also managing the erection of an extensive slum clearance apartment house unit.

Maynard, Semple & Fleming has been formed at Shreveport, La., to succeed the Maynard Insurance Co. agency maintained there 17 years by V. P. Maynard. Offices are at 311 Milam street. W. A. Semple is vice-president and W. L. Fleming secretary-treasurer. Both have been associated with Mr. Maynard for a number of years.

Ebeey, McCauley & Co. have purchased the Hargis agency at Ada, Okla.

Lewis Grinnan, Jr., has opened his own agency in the Gulf States building, Dallas, and will operate as Lewis Grinnan, Jr. & Co. He has been in agency work six years.

nominated for the principal offices are: For president, Mr. Jennings; vice-president, A. E. Burgener, Union Trust Company, now secretary-treasurer; secretary-treasurer, L. J. Brennan of Brennan & Brennan.

#### King County Dinner May 15

SEATTLE—The King County Insurance Association will hold a dinner meeting here May 15. A review of the Oakland mid-year meeting of the National Association of Insurance Agents will be presented by delegates who attended.

At a luncheon George W. Scott, educational director National association, David A. North, New Haven, executive committeeman, and Ralph Howe, Richmond, were guests. Wayne C. Meek, former National association executive committeeman, introduced the guests. Mr. Scott outlined the purposes of the National association's educational program. Observations on the trends and future of the agency business were offered by Mr. North and Mr. Howe. President James M. Blair of the state association also was a guest.

#### New Cal. Department Offices

Commissioner Caminetti of California, has established a district office at 530 Broadway, San Diego under the direction of W. K. Henderson, investigator for the division. The office is prepared to take care of applications for licenses, investigation and general service to the public. Commissioner A. Caminetti, Jr., found a growing need for an office to handle this type of work for the territory surrounding San Diego, which includes the Imperial Valley and contiguous counties.

A similar district office is being established in the Forum building at Sacramento under the supervision of Investigator T. J. Cronin, to take care of Sacramento and surrounding counties.

#### Houston F. & C. Northwest Shift

Jack S. Heidelberg of San Francisco, manager of General Agencies of New York, Inc., has taken over the management of the Houston Fire & Casualty in Washington and Oregon in addition to California. A. C. Boncutter, who has been manager of the Pacific Insurance General Agency, formerly general agent of the Houston in Washington and Oregon, has been named northwest manager for General Agents of New York, Inc. The Pacific Insurance General Agency has discontinued business.

#### Schedule Employers' Night

SEATTLE, WASH.—The annual employers night of the Seattle Blanket Club will be staged May 22, President William King has announced. James M. Donahue will be toastmaster. The Roy Vaughn Memorial Award will be presented to the member who has been the greatest inspiration to the membership during the past year.

#### Osborn Enters Adjusting Field

H. Ross Osborn has resigned as Oregon manager at Portland for D. F. Broderick, Inc. He will establish an independent adjustment office in the Old National Bank building, Spokane, his native city.

#### Hear Reports on Mid-Year Meet

LOS ANGELES—The Insurance Exchange of Los Angeles at a dinner heard President W. B. Glassick and Vice-president R. J. White review the mid-year meeting of the National Association of Insurance Agents.

#### NEWS BRIEFS

President Mark A. Goldy of the Oregon association has appointed committee chairmen to handle arrangements for the convention. Fred C. Reed, Portland, is chairman of the program committee.

E. S. Inglis, vice-president of Corroon & Reynolds, who has been in California for two weeks, is en route back to head-

quarters via the Pacific Northwest. He will spend some time with company field men and agents in Portland and Seattle, accompanied by John P. Breeden, vice-president in charge of the Pacific Coast.

John D. McBurney, who has been with the Ed Ware agency in Nampa, Ida., has returned to Seattle, and has joined the M. B. Hevly-Scott Agency. Before going to Idaho, Mr. McBurney was with the Washington insurance examining bureau for two years.

Colonial Oliver Vickery, specialist on hill billy lore, addressed a luncheon meeting of Insurance Post No. 404 of the American Legion, San Francisco.

H. W. McGee, Los Angeles, president Profit Motive Institute, addressed the Glendale Association of Insurance Agents on "The Future of the American Agency System."

Insurance Post 513, American Legion, Los Angeles, gave a bridge party attended by 66 members and their wives.

F. L. Tindell, Pacific Coast manager Yorkshire group, and S. K. Gray, vice-president from the New York office, visited the Pacific Northwest.

George B. Guyles of the J. C. Guyles & Co., Tacoma agency, has joined the ranks of the grandfathers. A son was born to Mr. Guyles' eldest daughter.

The Kitsap County (Wash.) Insurance Agents Association has elected Buel Gossett president. Lillian Hull was reelected secretary-treasurer.

Charles Fallert has purchased the K. H. Padgham agency at Sunnyside, Wash. Mr. Padgham is moving to Eugene, Ore., where he will enter the insurance business.

H. A. Briggs Co., Tacoma local agency, has appointed Tyler Williams manager of its insurance department. He was formerly insurance department manager of the Boise Trust Co.

W. R. Patterson has left the S. C. Flisken agency of Seattle to establish his own firm with offices at 652 Dexter Horton building, Seattle.

The State Insurance Agency, Hobbs, N. M., operated by A. C. Kimbrough, has purchased the Hobbs Insurance Agency from Dan E. Lake, who has joined the former agency.

## MOTOR

### Watch Hot Boom Town Spots in Indiana Defense Work

INDIANAPOLIS—Some companies are shying away from business that might develop in the centers in Indiana where intense activity has developed because of the defense program. Especially is this true of the automobile business that centers upon Charlestown, the site of the great powder plant that is being rushed to completion. Some 15,000 workers have been attracted to this center, a small town of less than 1,000 population, prior to this boom. Most of the workers have had to find living quarters in surrounding towns, some as far as 50 miles distant. It is reported that "anything loose" on a car is pretty apt to disappear if the car is parked in Charlestown streets. Instances of malicious damage are also reported.

Many of the cars are of the "jalopy" type and their owners apparently resent the use of new cars by fellow workers. New cars parked on streets of towns as distant as Seymour have been badly damaged by owners of junkers who have scraped fenders and deliberately run into such cars. Even new cars are badly abused by owners themselves, being driven back and forth overloaded and at high speed without regard to proper care. In six months, one agent says, a car that had been repossessed and which he inspected was more badly worn than it would have been with a year and a half of ordinary driving. Its hub caps and practically all removable parts had been taken off.

But this vengeful spirit is not in evidence at all defense work centers. No complaints, for example have been made along this line at Madison, Ind., which

## PACIFIC COAST AND MOUNTAIN

### Beanston, Rodgers Coast Managers for New Hampshire

SAN FRANCISCO.—New Hampshire and Granite State have appointed George A. Beanston and M. H. Rodgers managers of their Pacific coast department with headquarters here.

The new appointees succeed John A. Whalley & Co., manager for the companies since May 1, 1926, who will confine future activities for the companies to general agency representation in Washington, Idaho, Montana, Alaska, and British Columbia.

Mr. Beanston, senior member of the new management, had been head of operations for the two companies since Whalley & Co. assumed jurisdiction over them, and under the new set-up will continue with Mr. Rodgers as his associate.

#### Pioneer in Coast Insurance

A native of San Francisco, Mr. Beanston is a pioneer Pacific coast insurance man. He began his career with New Zealand in 1889, and in 1898 joined the George H. Tyson general agency. He continued with that organization until going with Whalley & Co. in 1926.

Mr. Rodgers, Mr. Beanston's new associate, is a native of Nebraska, and before entering insurance was in banking. He joined America Fore farm department in 1928 as Nebraska special agent, and then was with National Union in a similar capacity. In 1934, he went with the National American of Omaha, and in 1937 joined New Hampshire as state agent for Nebraska and South Dakota.

Addison I. Doling, secretary of New Hampshire and Granite State, has been several weeks on the coast, effecting this change.

To complete representation on the coast for the companies, Oregon will be handled by Phil Grossmayer, general agent at Portland.

The Pacific coast department of the companies will continue at 433 California street, San Francisco.

#### Northwest Women Meet

PORTLAND, ORE.—The Northwest Conference of Insurance Women was held here with the Insurance Women's Association of Portland as host to about 150 delegates from the Seattle, Tacoma and Spokane clubs. Margaret Osborn was general chairman. Anita Richardson, Tacoma, northwest district chairman, presided. Eva B. Kloster, Charles W. Sexton Company, Portland, was elected chairman for the coming year.

Delegates to the national convention in Nashville are Anita Richardson, Tacoma, national vice-president; Burga Carson, Seattle president; Margaret Peacock, Seattle; Eva B. Kloster and Eva Brower, Portland. Tacoma was

selected as the conference city for next year.

#### Liquor Board Makes Distribution

SEATTLE.—The Washington state liquor control board has distributed \$1,100 in commissions on its insurance to agents throughout the state. The distribution was the 12th made since the inception of the present system of handling the board's insurance. The business is placed by L. D. Mallette, insurance manager for the board, and commissions are set up in special trust account and periodic distributions are then made to bona fide agents. Another distribution is scheduled for December.

#### Meet to Plan Ore. Convention

PORTLAND, ORE.—The executive committee of the Oregon Insurance Agents Association will meet in the office of Executive Secretary Howard Vallentyne May 16 to consider plans for the annual convention to be held at the Multnomah Hotel in Portland August 14-15. The convention was previously planned for Corvallis, but President Mark Goldy issued a questionnaire to member agents outside of Portland, asking for a vote on the convention city as between Corvallis and Portland, as requested by a number of members. The vote showed eight favoring Corvallis and 72 for Portland.

#### Dunkak Handles Life End

William H. Dunkak has taken charge of the life department of the Phil Grossmayer Company general agency of Portland, Ore., representing Travelers. For a year he has been agency organizer of the Heifetz agency of Mutual Life of New York in Chicago and previously for a time was manager of the Travelers' south side Chicago branch office.

#### Leithe to Assist O'Sullivan

SEATTLE.—Erick M. Leithe, former field man for the Brown General Agency, has joined Hinchman, Rolph & Landis, general agents, as associate general agent under G. A. O'Sullivan, resident partner at Seattle. Mr. Leithe will specialize in automobile and casualty lines. The firm recently took new quarters in the 1411 Fourth avenue building.

#### Salt Lake President in Field

SALT LAKE CITY.—W. M. Anderson, president of the Salt Lake City Fire & Casualty Insurers Association has resigned, due to his having become special agent of the North America with offices in this city. He was given a vote of thanks for his services. For a number of years Mr. Anderson has been manager of the insurance department of the Keyser Realty Company. Vice-president R. M. Jennings, E. D. Smith & Sons, was advanced to the presidency.

The annual will be held May 16. Those

is on the edge of the large proving ground the government is constructing there. A better type of workmen is the rule there, than at Charlestown.

### Associates and Friends in Tribute to Hodgkinson

SAN FRANCISCO—Following a tribute to Arnold Hodgkinson, retired secretary of the Pacific Coast branch of the National Automobile Underwriters Association and manager of the National Automobile Club, he was presented a silver demi-tasse coffee set by more than 125 business friends and associates at a luncheon here. The tribute was delivered on behalf of the group by W. W. Gilmore, Pacific Coast manager of London & Lancashire and chairman of the Pacific Coast advisory board of the National association.

The occasion was also a reception to W. T. Barr, who succeeds Mr. Hodg-

kinson as branch secretary, and to H. E. Manners, who becomes sole general manager of the automobile club.

Mr. Hodgkinson will continue to write the timely, philosophical editorials for the "National Motorist," monthly published by the automobile club for members.

E. L. Rickards, secretary of the western branch of the N.A.U.A., Chicago, flew to San Francisco to attend the luncheon. Harold Junker, vice-president Crum & Forster was a visitor at the luncheon from the east. Messages were read from J. B. Levison, C. R. Page and C. C. Hannah, Fireman's Fund, L. E. Falls, president N.A.U.A., and others in that organization.

B. G. Wills, vice-president of Fireman's Fund Indemnity, read a resolution adopted by the advisory board of the association which was approved by a rising vote. Joy Lichtenstein, Pacific Coast manager of Hartford, presided at the meeting.

## EASTERN STATES ACTIVITIES

### Set Program for New England Agents

BOSTON—Connecticut and Rhode Island state associations will be hosts to the annual convention of the New England Associations of Insurance Agents at Hotel Griswold Eastern Point, Conn., June 25-27. Connecticut will hold its annual meeting the first day in conjunction. Chairman Harold W. Hatch of the New England Advisory Board will preside at business sessions.

The annual get-together dinner will be May 25. Welcome to Connecticut will be extended by Governor Hurley, and President Payne H. Midyette of the National association will bring the greetings of that organization. After dinner there will be a reception for President Midyette, followed by dancing.

#### Business Sessions

The business sessions open on the morning of May 26 when President Ed. S. Cowles of the Connecticut association extends greetings. Paul H. Taylor of New Haven, secretary-treasurer of the New England Advisory Board, will submit his report, followed by the annual report of Chairman Hatch. The morning session will close with addresses by Commissioner Blackall of Connecticut, Mr. Midyette, and Vice-president W. C. Jansen of Hartford Accident.

Afternoon of May 26 will be occupied with a golf program. Golf for the women is in charge of Miss Janet Sheehan, Manchester, N. H., and Mrs. H. L. Bailey of Groton, Conn. Robert S. Perkins of the New Hampshire association will award the prizes in the evening.

Report of Carleton Fisher, Providence, R. I., chairman of the education committee, is expected to be discussed May 27.

The following committee chairmen are in charge of the convention: Program, C. I. Fisher, Providence; registration, H. L. Bailey, Jr., Groton; publicity, Paul H. Taylor, New Haven; invitation, Mr. Hatch, New Britain; reception, D. A. North, New Haven; and sports and prizes, Mr. Perkins.

### Rodgers with Maine Mutual

H. E. Rodgers, formerly deputy insurance commissioner of Maine, has resigned as state comptroller to become secretary-treasurer of the Mutual Fire of Saco, Me. He formerly was an accountant in Massachusetts and went to Maine with Commissioner Lovejoy. He was made comptroller last year.

Mr. Rodgers also becomes a director of the Saco company, succeeding George A. Nutter, resigned. It writes fire, automobile and allied coverages. It announces that it will limit its repre-

sentation to the New England states. In addition to New England it has been writing in the District of Columbia, New York, Pennsylvania, South Carolina and Tennessee. Its assets are \$324,947 and surplus \$99,348. Last year it had \$292,474 net premiums.

### Correction on Paradise Mutual

Through a typographical error figures of Paradise Mutual Fire, Hanover, Pa., given on page 133 of the 1941 Argus Fire Chart, recently issued, are credited to Patrons Mutual Fire, Indiana, Pa., and the figures of Patrons Mutual are shown as those of Paradise Mutual. Paradise Mutual writes fire, lightning and windstorm insurance and has \$27,411,492 insurance in force with premium notes on hand of \$2,450,706. M. E. Bowman is secretary. The company was incorporated March 28, 1854. Its premium income in 1940 was \$474,943.

### Mass. Women Elect Saturday

BOSTON—The Massachusetts Association of Insurance Women will hold its annual meeting here Saturday. Commissioner Harrington will speak on "Present Day Problems in the Insurance Business" and R. G. Hinkley, New England manager American, on "The Extras on Your Fire Insurance Policy."

The nominating committee's slate includes: For president, Miss Dora Froholm, Worcester; vice-president, Miss Leonice K. Mason, Malden; secretary-treasurer, Miss Florence Connon, Holyoke. Mrs. A. Mildred Dempsey, Lynn, is retiring president.

### Babb Heads Worcester Board

WORCESTER, MASS.—The Worcester Board of Underwriters at its annual meeting elected these officers: President, T. E. Babb, Jr.; vice-presidents, D. D. McPherson and F. L. O'Brien; secretary-treasurer, H. C. Maddocks. Mr. Babb has been in the insurance business in Worcester since 1914. He succeeds F. A. R. McGlynn, who has served six years as head of the board.

### Opens Jersey City Branch

JERSEY CITY—The Gulf of Dallas, formerly represented in Hudson county by the Mets-Bloodgood Agency, has opened a branch office here with W. G. Sickles as manager.

### May Extend Management Course

NEWARK—The agency management course held this year under the direction of the New Jersey Association of Insurance Agents proved so successful that the association's educational committee is discussing the matter with a view to attempting the course statewide next fall.

This is the first time that any state

association has attempted to hold such a course.

### Pittsburgh Agents Elect May 15

PITTSBURGH—The annual meeting of the Pittsburgh Association of Insurance Agents will be held May 15. The program will be in charge of the officers, C. A. Reid, Wallace M. Reid & Co., president, and W. Ray Thomas, Logue Brothers, vice-president.

### Boards Plan Joint Outing

NEWARK—The annual joint outing of the Passaic, Bergen and Hudson County Associations of Insurance Agents will be June 12 at the North Jersey Country Club.

### Underwriters Protective Meeting

NEWARK—The annual meeting of the Underwriters Protective Association, which controls the Newark Salvage Corps, will be held May 16.

### Pittsburgh Club's Golf Party

PITTSBURGH—The Insurance Club of Pittsburgh will hold its first golf party of the season May 12 at the Butler Country Club, with a dinner in the evening. W. H. Osborn, Aetna, is chairman of the committee in charge.

### NEWS BRIEFS

Ralph G. Hinkley, Boston manager American of Newark, spoke before the Rotary Club of Chelsea, Mass., on "Extra Features of Fire Insurance Policies."

Lawrence Winston of the Boston office of Travelers addressed the Newburyport (Mass.) Board on casualty lines.

L. W. Beale, vice-president of Tiermon & Co., has been elected president of the Rotary Club of Buffalo.

S. J. Bakley and G. L. Bailey have established a new agency in Maplewood, N. J., under the firm name of Bailey & Bakley.

## MARINE

### May Unify Handling of Marine Rate, Rule Changes

NEW YORK—Considerable interest, it is expected, will be taken at the Inland Marine Underwriters Association annual meeting at Hershey, Pa., May 13 in the report by the committee, named some months ago, to consider the advisability of having the association handle the printing and distribution of all policy form rule and rate changes. Through such an arrangement, some feel, valuable savings in costs could be made and uniformity in interpretations would be attained. At present each company does the printing and prepared its own covering statement, with the result that local agents frequently receive a dozen or more rate schedules from the offices they represent.

### 'Babaco' Direct Mail Material

NEW YORK—Insurance companies writing inland marine risks will shortly receive copies of the new direct mail literature issued by Babaco Alarm System, Inc., describing its improved facilities for servicing and installing alarms and the reduction of insurance costs in many instances that have resulted from Babaco protection.

Use of Babaco alarms has been instrumental in improving the experience on salesman's sample and motor cargo floaters. During the last nine years that Babaco has been in business there has never been a hi-jacking of a Babaco-protected vehicle in spite of the fact that Babaco has serviced trucks transporting 95 percent of furs and the majority of cigarettes and other hazardous commodities in the largest cities in the country. Copies of the folder may be obtained by writing to Jack Seide, presi-

dent, Babaco Alarm System, Inc., 723 Washington street, New York City. The company has recently appointed Parker-Allston Associates as advertising counsel.

### Mariners Hear Bredberg, Coltrin

In the absence of Guy Noonan of R. B. Walker & Co., marine surveyors, the Mariners, Chicago marine underwriters association, heard two pinch hit speakers at the meeting this week. Marty Plotnick, Fireman's Fund, presided.

Harold L. Bredberg, vice-president National Service & Appraisal, and Don C. Coltrin, western sales manager for Uniform Printing & Supply, spoke briefly.

Uniform Printing, according to Mr. Coltrin, has furnished, in its 25 years, approximately 500,000,000 policies, 3,000,000,000 uniform forms, and half a billion letterheads, largely in fire and allied lines.

The Mariners will hold a luncheon meeting June 2.

## CANADIAN

### No Compulsory Auto Sentiment

TORONTO—P. M. May, assistant manager Royal-Liverpool group, Montreal, in addressing the Ontario Insurance Adjusters Association, told why the public, agents and companies are all against compulsory automobile insurance.

### Celebrate Long Service Records

John D. Rowell, partner in Hunter, Rowell, Toronto, is celebrating 50 years in the insurance business and 50 years with the North British & Mercantile office. He was in the company's Montreal office until 1920, and at that time went to Toronto to join B. B. Hunter as Toronto agents of the North British.

Two Canadian agencies of North British are celebrating the completion of 75 years' representation. They are G. Ross Robertson & Sons of Montreal and F. I. Morrison & Son of Fredericton, N. B.

### Todd with Home in Toronto

John Todd of the automobile department of the Canadian Underwriters Association in Toronto has joined the Home's Toronto staff.

C. S. Riley of Winnipeg, vice-president and managing director of the Canadian Fire and Canadian Indemnity, has been named chairman of the Canadian committee of the Hudson's Bay Company.

### Stellwagen Hits Isolationist Mien

(CONTINUED FROM PAGE 21)

cession. In the field of workmen's compensation, loss and expense constants were introduced as a step in the direction of more equitable distribution of costs and, more recently, the retrospective rating plan made its appearance.

### Policy Forms Are Changed

Policy forms, too, have been changed. The standard automobile policy program has clarified the contract and kept pace with improvements in coverage which have been granted from time to time, and a similar program is in process for the miscellaneous liability lines. Comprehensive policies for third party risks are now offered by nearly all companies.

New forms of insurance have made their appearance, especially the all-risk and destruction policies in the burglary departments of the companies and the medical payments coverage endorsement for automobile policies.

There is no doubt but that most of



this innovation has been good and much of it necessary. But, as practical business men, we are bound to ask if its total effect has been to improve the position of stock insurance. Have these changes secured for stock insurance the approval of the insuring public and, therefore, a larger measure of its patronage? Has this evolutionary process put stock insurance in a position to meet the requirements of business and industry on terms at least equal to those of its competitors? Do we offer a market of the greatest flexibility able to adjust itself to the shifting needs of commerce? A review of certain events which have occurred in the last 10 years may answer those questions.

#### War Department Situation

A few months ago the war department announced that insurance in connection with work performed under cost-plus-a-fixed-fee contracts would be purchased on a competitive bid basis at the lowest net cost consistent with sound protection and service. Pursuant to instructions issued by the office of the quartermaster general, the stock casualty companies submitted their bids for this business only to see it awarded to their non-stock competitors at net rates which they could not hope to meet within the framework of existing rate regulation. Belatedly, steps were taken by stock insurance to narrow the difference in cost between stock and non-stock insurance and, despite the energy with which these steps were prosecuted, it appears that action came too late and that stock companies are virtually excluded from participation in the insurance covering defense contracts. Here, indeed, was opportunity for service which appears infrequently in the life of a business and we missed the main chance.

Admittedly, there was an element of unfairness in the position of the government respecting lowest net cost of insurance, arising in the main from a cruel inequality in the application of the tax laws. Stock companies have contributed millions in federal taxes to the cost of the very defense operations for which insurance was sought, whereas non-stock companies contributed practically nothing. It may well have been that this inequality might have been recognized by the government officials in charge of insurance matters, but this element of difference was overwhelmed by the whole extent of the difference in cost between the two types of carriers.

#### Loss of Larger Risks

Going back further, we take note again of the drift of the larger risks away from stock insurance markets. These risks have gone to non-stock markets on the basis of cost or they have sought unauthorized insurance markets for covers flexible enough to be integrated with such unusual insurance programs as they elect to adopt.

While this drift of large risks away from stock company markets has been reduced a bit through the operation of the retrospective rating plan, it has not been stopped and it has not reversed itself. Until it does reverse itself, we must again admit that we continue to miss the main chance.

#### CRITICISED BY BUYERS

We have been warned that the stock company position was not above criticism by the formation of organizations of insurance buyers like the insurance section of the American Management Association and the Risk Research Institute. The very formation of these organizations indicates that, in the opinion of buyers, our methods were not necessarily the best nor our coverages the fittest. These organizations have discussed coverage and method and price and the make-up of rates, and their conclusions have not always been complimentary to stock insurance. Yet, here again, we have refused to read the

signs and so have missed the main chance.

The fact of the matter is that we have shut our eyes to the basic changes that are taking place all around us and that we have not kept pace with public demand and requirement.

#### Cites Customer Research

Mr. Stellwagen then recited examples of customer research in other industries.

An important aspect of this customer research, he went on, is that it is continuous in character because what the public likes today, it might dislike tomorrow. Industry is forever seeking to understand the needs and desires of those whom it serves, so that what it has to offer may become of constantly greater benefit and usefulness to the buyer.

Industry supplements its customer research with its laboratory research and is seeking constantly to expand the potentialities of its productive effort. The most spectacular success in laboratory research has been had by the chemical industry which has produced such new things as cellophane, nylon and plastics, almost before the public realized it wanted them, and has also evolved new methods of doing old things such as producing magnesium metal from sea water.

#### GET PUBLIC'S IDEAS

Stock insurance must take a leaf out of industry's book and do more than it has ever tried to do in keeping abreast of public opinion. Agents must make it their job to find out what the public likes and dislikes about stock insurance, and their findings must be discussed with their companies. Individual companies will be richly rewarded if they will invite a group of their own agents to their head offices for the purpose of discussing problems of mutual interest. The public understands our business fairly well and we must understand theirs. There can be little excuse for a policy of isolationism in a business which so vitally affects public interest as does the business of insurance.

#### Must Be Ready to Act Promptly

It will do us little good to find out what the public wants unless we are prepared to act and act promptly. Most of us are not entirely ignorant of public attitude on certain features of our business, yet we have done little to bring our practices into line with public requirement. Our failure to act, or rather our refusal to act, has come about because of the mistaken notion that changes in certain of our methods would be destructive of the principles of stock insurance. In other words, we have clung to certain outmoded methods in the mistaken belief that they were of the very essence of stock insurance, which they most certainly are not, and have preferred to fight and die for principle. There is something heroic about the old guard which dies but never surrenders, but then we ought to know what we are dying for. The essential ingredient of stock insurance is a cash capital contributed by investors as security behind the policies which are issued to the public. Generally, such cash contribution supplies surplus as well as capital. Beyond this central fact of capital with its corollary, operation for profit, almost everything else is method or mechanism and, while we should stand with utmost resolution behind the essential characteristic of stock insurance, we should tackle its mechanism with an open mind prepared to amend it in such manner as the public requires us to do.

#### Attitude of Large Buyer

What does the public require of us? No one has experience enough or knowledge enough to answer that question categorically, but all of us can arrive at certain accurate deductions of the trend of the insurance buyer's mind from the markets which he patronizes.

The following attitudes are probably most general.

First, the large buyer of insurance is willing to pay a price for stock company service and a price for agency service, but he believes that the price asked for both is too large.

Second, the large and medium-sized buyer of insurance believes that our methods are too inflexible and that we insist on giving him what we have to offer rather than in giving him what he wants.

Third, all buyers, small and large, want comfortable coverage at reasonable cost. They want insurance companies to be strong financially and they are willing to see them make a profit on their operations but they will not pay premiums which yield an unreasonable profit.

#### Fondness For Dividends

There are, of course, other points of view and other requirements that are variations of these broad attitudes. For example, some large insured feel they are better served under a program of self-insurance and want excess of loss or stop loss contracts. Other insured feel that our rating methods should parallel their own accounting methods and they may want their risks written

on an income basis or on some other unit of exposure which is convenient to them, rather than on a basis which has become traditional with us.

Apropos of the subject of public demand, it might be said in perfect candor that a lot of people like dividends. The liking for dividends, after all, is an American characteristic and we like to get dividend checks now and then on our stocks and bonds and dividend returns on our life insurance premiums, and many people like dividends on their casualty premiums. Lest the mention of dividends be considered anathema before an audience of stock insurance men, let it be remembered that the safe driver reward plan and the retrospective rating plan are primarily dividend plans.

#### CHANGE VIEWPOINT

The answer to the large policyholder's criticism of our cost for company and agency service does not involve the search of a formula as yet unknown so much as it does a change in point of view and a resolution to act. The technical answer to the criticism consists in the gradation of expense ratios. A formula to accomplish that purpose

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CENTRAL 7411  
New York  
Pittsburgh  
San Francisco  
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**Marsh & McLennan**  
Incorporated  
**Insurance**  
Federal Reserve Bank Bldg.  
164 W. Jackson Blvd. Chicago

**Moore, Case, Lyman & Hubbard**  
General Agents  
175 W. JACKSON BLVD.  
CHICAGO  
Wabash 0400

**ROLLINS, BURDICK, HUNTER CO.**  
175 W. Jackson Blvd.  
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Telephone: Wab. 9600  
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### KENTUCKY

**GAUNT, HOUSTON & FITZHUGH**  
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has been worked out long ago and has even been applied in certain places and under certain conditions. The trouble is that we have applied the idea as a last resort and then grudgingly. Thus, in the rating of insurance covering defense projects, the stock companies belatedly sought and secured a reduction of 20 percent in the rates based upon a reduction in the overhead expense loading of 15 points. Of course, that action was taken too late to have much of an effect on the stock companies' position in relation to this business and, furthermore, the non-stock companies retaliated with a 10 percent rate reduction which enabled them to offer net rates lower than those produced by the stock companies' 20 percent reduction.

#### Applies Only to Compensation

The program of graduated expense loadings has been applied in a few states but only for workmen's compensation insurance. However, if the principle is proper for one line, it is proper for all. There appears to be no logic in the proposition that the idea may be valid for workmen's compensation insurance but has no application to other lines, such as burglary, liability or fidelity insurance.

### COMMENT ON EXPENSE

The whole point of the matter is this. Out of a premium of \$50,000 developed from several lines for a single insured, is it equitable to insist that at least \$20,000 is required for expenses, leaving only \$30,000 available for the payment of losses and loss expense? Out of the sum of \$20,000 for expenses, is the company entitled to \$5,000 for its general administration expenses and is the agent entitled to \$10,000 for negotiating and handling the line? Whatever we may think, the public has answered these questions for us and it has answered them in the negative. Now, if we persist in refusing to recognize the public's position on this matter, we will hear less and less about it from the public but, at the same time, we will write an increasingly smaller number of large risks because they will find markets which recognize their point of view.

We have done pretty well with the technical rating of the small risk, but the larger problem of fitting premiums to exposures as risks increase in size and variety has not yet been solved. The equitable distribution of expenses over risks of different size is bound up in that problem. Its solution is not too difficult—it needs only the will to accomplish it.

#### Court Non-Admitted Facilities

When the public accuses us of inflexibility, we must accept the accusation. In part, through rules and regulations of our own devising and, in part, through state laws, we cannot meet many of the perfectly legitimate demands of the insuring public. In a mid-western state, for example, a number of large manufacturers, who had become self-insurers of their compensation risk in accordance with state law, sought stop loss compensation cover. The state refused to permit the issuance of such cover and all of it was accordingly written by non-admitted insurers who paid no taxes and who were in no way subject to the insurance laws of that state. Recently the attorney-general ruled that admitted insurers could write this form of insurance, yet such were the difficulties that arose in connection with the filing and approval of rates for such insurance that the admitted companies are still unable to write the business and it continues with the unauthorized companies. Here is a case where a policyholder and an admitted company would like to get together on a perfectly legitimate insurance transaction and are stopped from doing business by a capricious state law which, nevertheless, seems powerless to prevent non-admitted companies

from taking the business from companies legally admitted to the state.

Our own self-made regulations are equally reprehensible. For years the industry refused to meet public demand for blanket coverage. Years ago members of the insurance section of the American Management Association made known their need for blanket liability insurance, and only within the last few months has the business of insurance sought to meet that need.

#### Criticises Rigid Attitude

Not only have we preserved an attitude of rigidity against public demand for novelty in coverage and policy contract, but we have been adamant in defending bases of rating which have proved burdensome to insurance buyers. With certain forms of insurance we have demanded the maintenance of records foreign to the policyholder's business and compiled only with difficulty and expense, merely because such records were necessary to our own conception of the basis upon which a risk should be rated. The demand that the insured keep payroll records for insurance purposes wholly in conflict with the records which he must keep for social security tax purposes is a case in point.

#### Meeting Trend of Times

We live in an atmosphere of change—political, social and economic, and the business of stock insurance is not immune from its influence. Our business is so entwined with the nation's commerce and industry that we must go along with the trend of the times or step aside. Through technological improvement and research, industry has made its products better, kept its prices down, and achieved a wider distribution of its goods. It is giving the people what they want and is allergic to popular requirement. Stock insurance is called upon to adopt that program.

### BUREAUCRACY EVIL

If we are to meet public demand and if we are to achieve flexibility in our methods, we must be free; free of bureaucratic regulation and free of hampering legislation. Regulation which erects standards of good, honest business practice and which looks to the solvency of insurance companies is useful, but regulation which seeks to control policy forms, rates, and the ability of insurance to meet unusual situations is an unnecessary handicap to the business and is not in the public interest. In that connection, let it be said that so-called anti-discrimination laws do not always prove to be so happy in their application as their proponents intended they should be. It is well enough to provide that rates shall not vary between risks of essentially the same hazard, but such a provision ignores the fact that, when risks increase in size and variety, very few of them have essentially the same hazard even though they fall in a given classification for rating purposes. The inability to reflect real differences in hazards in such risks by differences in rates is unfair both to the risks involved and to the companies which underwrite them. There is much to be said for the observation that the worst discrimination is failure to discriminate.

#### Regulation and Competition

It is, unfortunately, true that certain elements of the business have sought regulation for the purpose of eliminating competition. Being unwilling to change themselves and having no taste for experimentation, they try to see to it that no one else may change or experiment. They have sought regulation not because the public demanded it, but because they wished to build a wall around their own business. Walter Lippman, in discussing world politics, once said that people reached for manacles to keep their hands from shaking. Shall it be said that we seek regulation because of the fear that we may

faint in an atmosphere of free competition?

Regulation is sometimes sought on the ground that certain evils in the business need correction. No doubt, evils have existed but they are usually minor and generally restricted to small sections of the business. The trouble is that, when regulation or legislation is promulgated for the correction of these evils, the whole business is stifled and a strait jacket put upon the conscientious and honest majority—all for the sake of reforming some recalcitrant who usually can be dealt with by existing legislation. In other words, we often pay a terrific price for bringing back the head of one infidel.

Regulation, whether imposed by law or by the business itself, must be judged by its value to those who buy insurance policies and not by its seeming value to those who sell policies and underwrite them. It is not in the public interest to so regulate our affairs as to increase the cost of doing business. It is not in the public interest to cut off change and initiative and thereby turn insurance aside from the course of progress which all business is following today. The institution of private insurance must not be hemmed in by restrictive legislation and it must not be badgered by bureaucracy if it is to work out its own destiny.

#### Example of Banks

If we give the public what it wants, we shall prosper. The history of American business is replete with examples of institutions which have made money by meeting public requirement. When the banks worked out plans for making small personal loans and giving checking accounts to small depositors, they met a public demand and they prospered; when they entered the field of consumer credit and helped their customers by financing the purchase of automobiles and refrigerators and other household appliances, they met a public demand and again they prospered. When the railroads adopted fast freight schedules and supplemented their service by local door to door truck delivery, they met the requirement of shippers and made money. When they introduced streamlined and comfortable equipment and deluxe all-coach trains at coach fares, they won the favor of the traveling public and again increased their revenues. If stock insurance will function as the people want it to function, agents need never worry about their commissions, companies need not be concerned over their income, and company stockholders need not worry about their dividends.

#### Favors Comprehensive Cover

We must sell comfortable coverage and our policies should cover every third party or direct damage risk to which the policyholder is subject. Our policies should be comprehensive enough so that it is impossible to deny liability under them because of lack of coverage for any reason except a condition which is contrary to decent public policy. The bases of premium computation must be so simple that the policyholder need not hire a clerk to compute them and the bases of rating should conform as nearly as possible with the policyholder's own cost accounting methods. We should not require voluminous reports of the policyholder during the period of coverage, and our policies should be automatic so as to take over additional exposures without subjecting the policyholder to the risk of lack of coverage because of failure to report. Above all, our prices must be right. They must reflect the true cost of company and agency service on large risks and on all risks they must yield a modest profit—not an abnormal one.

We are under an obligation to meet every legitimate insurance requirement of business and the individual and, if those requirements are unorthodox or if they differ from our own preconceptions of what such requirements should be, we must, nevertheless, follow them.

If our own red tape keeps us from fulfilling those obligations, we must cut it and, if legislation stands in the way, we should seek its repeal. If we do these things, if we are ever sensitive to public demand, and if we are filled with the determination to change with the times, we shall seize the main chance.

## Compensation Mess Created in Indiana

(CONTINUED FROM PAGE 20)

ceedings may be instituted by other interested state officials to have the status of the board determined by the courts.

Some individual companies have decided to make such payments as are clearly indicated by the facts and the injuries in each case. They avoid making payments on controverted or closed cases and avoid making any lump-sum final settlements until the entire situation is clarified. Some feel that there is not much danger of successful prosecution of a common law action after the payment of compensation, since the Indiana compensation act under which these payments are made is still in effect and the injured person has indicated his acceptance of the terms of the compensation act. However, some companies are taking the additional precaution of securing a common law release covering all possible contingencies whenever payments are made to the injured.

#### Tex. Agencies Law Is Signed

Governor O'Daniel of Texas has signed the agents' examination bill, which was so heartily championed by the Texas Association of Insurance Agents.

#### Added Features for Texas Rally

Additional features have been arranged for the convention of the Texas Association of Insurance Agents in Dallas. There will be a pre-convention meeting the afternoon of May 14 on the subject of compensation insurance. The presiding officer will be A. H. Bevan of Houston, chairman of the casualty and surety committee.

D. G. Foreman, executive secretary of the association will explain at the exchange officers session the same afternoon, the new licensing law that has been passed by the legislature, just signed by Governor O'Daniel. Under the new law future agents must take an examination.

#### Postal L. & C. Boosts Capital

KANSAS CITY—The Postal Life & Casualty has transferred \$100,000 from surplus to capital, to make the capital \$200,000. Total capital and surplus are \$327,094, according to its financial statement March 31.

For his success in organizing and operating the insurance activities of the nine construction division zone offices, First Lieut. Reese F. Hill, quartermaster corps, Anderson, S. C., has been promoted to captain and commended by Brig. Gen. Somervell, assistant to the quartermaster general of the army.

Captain Hill, was for a number of years with Fidelity & Casualty before ordered to active duty. He entered federal service last October and began organizing and directing the insurance activities of the construction division zone offices. He has now been transferred to the office of the under-secretary of war to organize and operate the war department's insurance section.

**NEXT STOP ST. LOUIS!**

**AND MY STOP IS HOTEL Mayfair!**  
TOPS IN FOOD & SERVICE—AND RIGHT DOWNTOWN





# **"SELL PROTECTION — NOT POLICIES"**



## **This Is A Man**

## **This Is His Home**

Suppose his home was destroyed by fire, windstorm or explosion.

Oh! His insurance would replace that!

Then he couldn't lose his home?

Oh yes he could, if someone was injured on his property.

How?

A judgment might be obtained against him which could cost him his home and savings as well — unless he carries Residence Liability Insurance.

Does he carry Residence Liability Insurance?

I don't know. Let's ask his insurance man.

Does he?

**THE AMERICA FORE INSURANCE AND INDEMNITY GROUP**

BERNARD M. CULVER, President

FRANK A. CHRISTENSEN, Vice-President



## SUMP'N TELLS ME DIS AIN'T ON DE UP-AND-UP!"

You're right, Scarface! Brides-to-be don't invite yeggs to their receptions...to admire their jewelry and silver, linens and crystal.

But the Scarface Joes get around. They know who will be pacing up the aisles of St. Giles next month.

*Any one of your well-to-do prospects or clients with a wedding in the offing is already known all too well to Scarface and his pals.*

Now, as a sort of squad-car call, the National Fire Group has prepared a rather shocking bridal invitation...in reverse. Shocking because it's a formal invitation to view the wedding gifts of Miss Bride-to-be in the studios of Scarface Joe, the Fence. It

carries a sinister threat that will make any bride-to-be bristle in self-defense, and immediately think of looking for protection.

This is a spotlight promotion. Timely. Powerful. Full of urge to act. It's the kind of promotion that will get attention, *now*, and will bring you into contact with people with substantial insurance needs of all kinds. Such selling helps, together with the expert assistance of *your* National Fire Group Counselor, will help put good fat business on your books. That's why we continually say...use *your* National Fire Group Counselor *more*.



Whether or not you represent a company in the National Fire Group, we'd like to send you this wedding gifts promotional plan, just as a sample of the sales helps we provide for our agents. Fill in the coupon and mail it... that's all.



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Please mail me your Wedding Presents Insurance Promotion Plan.

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